Part I: Technical Report Executive Summary

Belair Road Comprehensive Real Estate and Economic Development Assessment

Prepared for

Gardenville/Belair Road Business Association and HARBEL Community Organization

With funding provided by

Baltimore Development Corporation and Baltimore County, Maryland

August *21, 2014*

WILLDAN Financial Services

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Submitted by

Willdan Financial and
Economic Consulting Services
(Willdan)

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I. Executive Summary

In March 2011, ULI Baltimore partnered with the City of Baltimore and Baltimore County to convene 11 volunteer expert panelists to recommend a comprehensive, yet strategic, approach to positioning the Belair Road Corridor project area (Figure 1) to continue to appeal to the surrounding neighborhoods and thrive in the 21st century.

The ULI Baltimore Regionalism Committee initiated this exercise, known as the Belair Road Technical Assistance Panel (TAP), to foster increased collaboration among neighboring jurisdictions.

The ULI Baltimore TAP program generally seeks to provide expert, multidisciplinary advice on land use and real estate issues facing public agencies and nonprofit organizations in the Greater Baltimore Metropolitan Region.

Accordingly, the purpose of the Belair Road TAP was to better understand the potential to revitalize the Belair Road corridor over the short– and long-term.

With a deep cross-section of expertise in economic development, transportation, and urban design among other disciplines, the TAP effort commenced with an introduction of the Belair Road TAP Study Area by city and county representatives, followed by a tour of the corridor and several roundtable discussions with area stakeholders and public officials.

Based on this dense information exchange, the panel developed a Corridor Revitalization Framework Strategy for Belair Road that focused on the following:

- priority redevelopment nodes
- priority redevelopment opportunity sites
- linkages between nodes economic development strategies
- sense of place/branding strategies that
- residential neighborhood
- conceptual design
- streetscape and transportation strategies
- public policy strategies

In addition to the overall corridor framework and strategies, the panel also outlined the necessary steps to initiate the revitalization of the Belair Road Corridor. These findings indicated the need for:

- comprehensive market analysis
- broad code enforcement
- proactive community and public sector investment
- utilization of existing public incentives
- land use modification
- readiness for private sector development

The purpose of this study is to further implement the recommendations related to the need for a comprehensive market analysis and evaluation of existing public incentives as precursors to readiness for private sector development.

Figure 1: Belair Road Corridor Project Area

With funding provided by the City of Baltimore and Baltimore County, Community Investment Tax Credits Funds procured by the Greater Baltimore Committee, the Gardenville/Belair Road Business Association, Harbel Community Organization, Rosedale Federal and Frankford Towing (the "project sponsors") retained Willdan Financial and Economic Consulting Services and our sub-consultant team (Design Collective, Inc., WTL + a, and WBA Research, or the "project team") to conduct a Comprehensive Real Estate and Economic Development Assessment of the Belair Road Corridor and surrounding areas.

This study provides a corridor-wide market analysis to assess existing housing and commercial conditions, identify the appropriate industry segments for the corridor, prescribe the rates of housing and commercial absorption over the next 10 years, and describe the steps needed to attract specific residential, retail, and office users to the Belair Road Corridor project area.

To further evaluate how the public sector can best facilitate implementation of the revitalization framework envisioned by the ULI TAP Report, this study also provides an overview of existing public development incentives. Both the City of Baltimore and Baltimore County have existing incentives related to housing, physical property improvements, job creation and business improvement that offer monetary and technical assistance and help residents and business owners establish a platform to succeed and invest.

Through case study research and evaluation of current conditions, this report makes recommendations regarding how these incentives best match the redevelopment opportunities to leverage area investment and alternatives for additional programs to take into consideration.

Key Market Study Findings

The comprehensive Belair Road Corridor real estate market study, led by WTL +a, was structured to:

- Assess in greater detail existing housing and commercial conditions and evaluate the overall health of the business environment;
- Test the market feasibility and specify the intensity and scale of development uses, such as aging-in-place housing, Big Box versus neighborhood retail, medical office, and other uses;
- Identify appropriate niche markets and outline the broad marketing initiatives critical to attract specific uses;
- Evaluate how various public entities—such as the City of Baltimore and Baltimore County—can facilitate change in the corridor; and
- Identify existing or potential incentives to jump-start new development while leading to achievable and manageable growth over the long-term.

In particular, the market analysis further evaluated those areas along the corridor identified by the ULI TAP study as best-suited for redevelopment, including the nodes of Belair-Edison, Gardenville, and Overlea. The analysis also identified opportunity zones that could accommodate larger-scale redevelopment, such as Fullerton in Baltimore County or the Quarry site adjacent to the Bi-Rite Supermarket.

Based on the findings of the retail intercept study, the market analysis, the design workshop and the development incentives assessment, the Belair Corridor has substantial potential to attract private real estate investment and development activity, further strengthening existing businesses so that they capture more of the market. Key findings supported by the market analysis include:

- The Belair Road corridor's logical retail "trade area" includes 102,000 residents in 39,000 households;
- Current annual retail leakage is $370 million (this equates to household spending that leaves the neighborhood and is spent elsewhere);
- The presence of national retailers is a key market strength;
- Hotel occupancies jumped from 58% to 68% indicating mid-term support for new hotel development;
- Both the City of Baltimore and Baltimore County offer cutting edge, effective development incentives programs and are actively investing in public improvements (Complete Streets);
- The Belair Road corridor project area is also eligible for New Markets Tax Credits which may be very attractive for a an eligible project (see Technical Appendix for detailed requirements); and
- However, reducing/eliminating vacant housing is critical to strengthening the attraction of the area to redevelopment and/or new development activity.

Targeted Redevelopment Opportunities

These key findings indicate near-term market support in the Belair Road Corridor project area for the following recommended development program alternatives related to residential, retail, and hotel uses.

Residential Infill Development – Elderly/Age-Restricted Housing

New elder housing development would serve to increase the residential density in the Belair neighborhood while serving the area's aging population.

Forecast population losses, housing vacancy trends (and indications that vacancies will increase) suggest that opportunities for new, market-rate housing in the study area will be limited over the next five years. This reinforces the critical importance of existing city programs—administered through the Baltimore Housing agency—to reduce vacancies, eliminate blight through code enforcement, and stabilize specific neighborhoods in the Belair Road corridor, particularly at its southern end. Baltimore Housing's ongoing program for the Belair-Edison neighborhood includes funds to provide pre-purchase, budget, default and foreclosure prevention counseling; outreach and related services; and technical assistance to businesses and property owners located in the commercial district as part of the city's commitment to revitalize the Belair-Edison area.

While opportunities for new, market-rate housing appear limited, residents of the surrounding neighborhoods along Belair Road—in both the city and county—are aging, which suggests incremental opportunities for a limited amount of age-restricted and/or elderly housing to complement several nursing homes located on Belair Road. Five-year forecasts suggest an additional 1,900 residents ages 55 or older by 2017. Initial phases of housing product oriented to these age cohorts could include: age-restricted (i.e., for "active adults" 55+) product with 20 to 40 units with living spaces on one level, and independent living units with on-site amenities that are clustered but part of a facility that also provides congregate care/assisted living units (ALUs), with another 20 to 40 units. In total, the market study indicates approximately 50 to 70 housing units oriented to age-restricted/elderly product could be supported within the Belair Road Corridor project area in the near term.

Table 1: Residential Planning Targets

Belair Road Corridor Residential Planning Targets	
50 to 70 Units	Oriented to Age-Restricted/Elderly Product

Source: WTL + a, Willdan, 2013.

This suggests that a site be identified that is sufficiently large to accommodate these products under unified/single-ownership as a means to attract a specialized developer such as Elderly Housing Development & Operations Corporation (EHDOC); National Development (in New England); National Community Renaissance (in Florida, Texas and California); Sunrise Senior Living (Marriott); etc. We note that opportunities for such age-restricted and/or elderly housing may be greater than these estimates.

Three such developments already exist on Belair Rd. Catholic Charities constructed and operate the Everall Gardens property near the Quarry/Bi-Rite grocery site in the City of Baltimore, as well as Crossroads I and II in Baltimore County. Given their local knowledge and past successes, Catholic Charities may be interested in developing more senior housing to meet the expected growing demand.

Additionally, Baltimore-based GEDCO Homes' real estate development arm has spearheaded many local senior housing developments, including a development at Stadium Place. Their familiarity with the market and senior housing experience suggests that GEDCO Homes could be a priority target to attract to the Belair Road Corridor to concurrently expand elder housing stock and achieve key catalytic redevelopment site/revitalization objectives.

Furthermore, there is clear opportunity for the use of New Markets Tax Credits, Low Income Housing Tax Credits, and/or partnerships with area community organizations/faith-based groups to close potential funding gaps. However, additional market and financial feasibility studies will be required to determine overall viability. In light of ongoing vacancies in several surrounding neighborhoods, our housing analysis is inherently conservative.

General Retail

The market analysis has identified significant levels of "recapture" opportunities, or retail leakage—retail spending generated by trade area households that occurs elsewhere (irrespective of location). In fact, retail leakage is estimated at fully $370 million per year.

There are selected merchandise categories that are logical candidates for a retail revitalization program for Belair Road. Trade area spending in these categories totals roughly $249 million per year, and could potentially include: General Merchandise (e.g., soft goods retailer); Electronics & Appliances; Eating & Drinking/Food Places; Food & Beverage/Groceries; Health & Personal Care/Drug Stores; Building Materials; and Miscellaneous Retail.

As a result of ongoing or planned public investment in the Belair Road corridor, such as the city's housing stabilization programs in Belair-Edison and approved funding for streetscape improvements, we believe Belair Road will be able to capture a portion of this retail opportunity gap. A capture of 10% to 11% translates into $27 million in new retail spending on an annual basis.

To the extent that any retail recruitment strategy oriented to these categories is successful, we note that investment-grade rents (to justify construction feasibility) will require investment-grade (i.e., creditworthy) regional and national tenants. It is clear from the existence of national tenants (e.g., CVS, Rite Aid, McDonald's, etc.), that Belair Road already meets specific tenant criteria, such as population densities, traffic counts, etc. Although Belair Road is considered a "hybrid" urban/suburban corridor with an existing mix of local/regional/national tenants, tenant recruitment should target a mix of qualified local and national tenants.

Importantly national tenants will generate "traffic" necessary to support local businesses. Moreover, any local/mom & pop businesses considered candidates for Belair Road will require a viable business plan and capital/credit necessary to succeed.

The priority redevelopment nodes along the Belair Road Corridor provide opportunity to recapture up to $27 million in annual sales leakage (translated into a total of approximately 60,000 to 83,000 square feet) as detailed in the following Table 2.

Table 2: Retail Planning Targets

Belair Road Corridor Retail Planning Targets	
10,000 to 13,000 sq. ft	sit-down, "family-style" restaurants, ideally clustered in a node that serves to create a "restaurant district"
20,000 to 25,000 sq. ft.	urban-format grocery store (note: not necessarily be a new store, but expansion or stronger performance by the study area's existing grocers such as Aldi, Bi-Rite, etc.)
10,000 to 15,000 sq. ft.	national drug store chain on a pad site that meets specified design criteria (such as frontage, rear parking, etc.) as established by the city and county
20,000 to 30,000 sq. ft.	other retail tenant(s); for example, this could include a general merchandise/soft goods retailer that could serve as an anchor for development of a retail center in a key node along the corridor
60,000 to 83,000 sq. ft.	Total Square Feet

Source: WTL + a, Willdan, 2013.

This can be achieved through a combination of new construction, redevelopment of vacant storefronts, targeted recruitment strategies for investment-grade tenants and promotion of public incentives programs.

New Lodging Development

The strongest location for possible/future hotel development is as close to the Beltway interchange in Baltimore County as possible, to maximize the locational advantages provided by the Beltway, such as visibility, easy-on/off access, etc., for highway travelers. As the Belair Road corridor does not provide any logical demand generators for hotel rooms (i.e., corporate office park, hospital/medical center, etc.), it is likely that highway travelers will be an important market segment for generating roomnight demand.

- Market conditions among the area's supply of hotels should be closely monitored over the next three years. Annual occupancies need to be sustained in the range of 67% to 72% to justify feasibility.
- A site should be identified in the county as close to the Baltimore Beltway as possible to ensure strong visibility and frontage.
- Market potentials are likely to be oriented to a limited-service product. Limited-service properties in White Marsh already include Fairfield Suites and Residence Inn (Marriott) as well as a Hampton Inn and Hilton Garden Inn (Hilton). Since a hotel on Belair Road will compete with lodging properties in White Marsh, it may behoove these national chains to consider Belair Road as multiple locations of a single flag/operator in a single submarket typically enhance operating efficiencies and roomnight capture with more than one product in the marketplace.

Typically, a limited-service product seeks 80 to 120 rooms on a site with sufficient land to accommodate surface parking. In strong markets, such flags will consider sites that do not provide adequate frontage on a primary arterial such as Belair Road, as long as there is immediate access to key demand generators (in this case, the Beltway/highway travelers). Additional market and financial feasibility studies will be required to document this recommendation pending occupancy levels over the next three years.

Table 3: Lodging Planning Targets

Belair Road Corridor Lodging Planning Targets	
80 to 120 Rooms	"Limited Service" hotel development with access/visibility to I-695

Source: WTL + a, Willdan, 2013.

Belair Road Corridor Economic Development Implementation Plan

Following a rigorous synthesis of the findings of the consumer market intercept survey, design workshop, market study and development incentives case study research, the project team identified priority economic development strategies for the near-, mid-, and long-term (one to five years). The goal of the plan is to implement effective public policies and development incentives that will attract investment to residential, commercial, entertainment, and niche market opportunities within the Belair Road Corridor project area and further transform the neighborhood into an attractive destination to shop for unique goods and services and enjoy community programming and events.

To successfully optimize the development capacity of the project area and attract private investment activity will require a sustained, focused effort by public, non-profit and institutional staff and financial resources. Given the positive real estate and economic market indicators validated by this study, the project team recommends that the City of Baltimore, Baltimore County project sponsors continue to advocate for the revitalization of the neighborhood by moving forward with the clearly defined concrete, actionable tactics outlined in the following economic development strategy.

Table 4: Belair Road Corridor Economic Development Strategy Implementation Plan

Belair Road Corridor Economic Development Strategy Implementation Plan		
GOAL	To implement effective public policies and development incentives that will attract investment to residential, commercial, entertainment, and niche market opportunities within the Belair Road Corridor project area and further transform the neighborhood into an attractive destination to shop for unique goods and services and enjoy community programming and events	Timeframe
Strategy 1:	Attract private investment and development interest by further publicizing the Belair Road Corridor's redevelopment/reuse market opportunities validated by the results of the Belair Road Comprehensive Real Estate and Economic Development Assessment through ULI-the Urban Land Institute, the International Council of Shopping Centers, the Greater Baltimore Committee, and other local development organizations	Short-Term
Strategy 2:	Fully fund the Belair Road "Complete Streets" plan to provide traffic calming, contiguous bike lanes, improved parking configuration (and associated "curb appeal") that will create catalytic sites for initial investment through favorable development characteristics such as distinctive physical assets and enhanced capacity for walkability	Mid-Term
Strategy 3:	Leverage the ongoing "Complete Streets" public investment and construction activity to concurrently implement inventive urban design strategies such as shared parking, adequate parcel configurations and depths, available land and better transition of commercial to residential uses	Mid-Term
Strategy 4:	Fund a Belair Road Corridor neighborhood branding campaign to include the following public improvements: ▪ Event programming ▪ Install light pole banners ▪ Colorful awnings over business entrances ▪ New street furniture/outdoor seating ▪ Limited signage ▪ Façade improvements	Long-Term
Strategy 5:	Identify and secure innovative public/private funding mechanisms to increase the capacity for independent business alliance programs operated by Belair-Edison Neighborhoods, Inc./ the Belair Road Main Street to deliver commercial management district functions ("clean and safe" services, enhanced code enforcement, and other services typically provided by Business Improvement Districts)	Long-Term

Source: Design Collective, Inc., WBA Research; WTL + a Urban Real Estate Advisors; Willdan, 2013.

To further support these indicators of market demand for new residential, retail, and lodging development activity in the Belair Road Corridor project area and the recommended Economic Development Implementation Plan, the following technical report provides a summary of the detailed consumer intercept survey, design workshop, stakeholder interviews and development incentives/regulatory tools assessment undertaken by the project team. The full reports detailing these summary findings are located in Part II: Technical Appendix Report accompanying this Executive Summary.

II. Consumer Intercept Survey

The retail consumer intercept survey, led by WBA Research, was conducted at seven sites between May 4th and May 14th, 2013 and was completed in June, 2013.

The survey evaluated community perceptions of the retail environment through a statistically valid intercept survey of approximately 463 participants including 341 along Belair Road and 122 along Harford Road.[1]

The survey concluded that, overall, those visiting Belair Road are significantly more likely than those visiting Harford Road to be visiting a business. They are also significantly more likely to be shopping at a grocery, drug or convenience store or retail shopping than Harford Road. It appears visiting are more likely to be coming to Belair Road for shopping, while those on Harford Road are more likely to be visiting for dining.

Belair Road/Harford Road is the area visitors most often come to for shopping, dining, or other leisure or entertainment activities. However, Belair Road visitors are significantly more likely to say that they also frequent areas outside of the neighborhood than are Harford Road visitors. This may be because they feel they have to travel outside of the neighborhood to meet their needs.

A key driver analysis was performed using the ratings of the neighborhoods. Correlation analysis was utilized in an effort to provide recommendations to improve any unmet needs at Belair Road by comparing it to Harford Road.

“High priorities” and “opportunities” were identified for both Belair Road and Harford Road. Of these attributes: quality and availability of attractions or entertainment, and the quality and availability of parks were noted as areas for improvement and opportunity for increased satisfaction among Belair Road Corridor survey respondents.

Notably, many visitors are not necessarily comparing Belair Road to Harford Road, but rather are comparing one or both areas to other areas they frequent.

Visitors may not wish for Belair Road be more like Harford Road; rather, they may aspire for it to be more like Towson, White Marsh, and/or other areas they visit.

[1] Per WBA Research, 463 completed surveys yields a maximum sampling error of ±4.6 percentage points at the 95% confidence level.

When asked what sort of stores, restaurants, attractions, entertainment, or other amenities they would like to see added to Belair Road that would make them come to the neighborhood more often, the majority mentioned quick service restaurants and/or big box retail stores. In addition, significantly more visitors to Belair Road mentioned they would like to see grocery stores than from Harford Road.

Of the stores, restaurants, attractions, entertainment, or other amenities respondents would like to see added, quick service restaurants would be the most frequently visited, with about two in ten of all visitors saying they will visit them more than twice a month. Big box retail stores would be the second most frequently visited, particularly on Belair Road.

The survey instrument and detailed findings of the results from the Belair Road retail consumer intercept survey is provided in the Technical Appendix to this report.

III. Belair Road Corridor Design Workshop

In order to translate the findings and recommendations of the market analysis into a physical plan, the project team hosted a one-day design workshop. Led by Design Collective, the workshop provided an opportunity to assemble the consultant team and project sponsors to validate the redevelopment concepts/programs for the nodes/locations identified by the ULI TAP study.

The workshop helped to specify the intensity and scale of specific uses as well as identify those areas along the corridor that are best-suited for redevelopment opportunities.

In preparation for the design workshop brainstorming session, the project team conducted stakeholder interviews with 34 business/property owners and brokers/developers identified by project sponsors. The target list of stakeholders was developed in consultation with:

- HARBEL Community Organization;
- The Gardenville Belair Road Business Association GBRBA);
- The City of Baltimore and Baltimore County;
- The Greater Baltimore Committee (GBC);
- The Baltimore Development Corporation (BDC);
- Belair-Edison Neighborhoods;
- Other key stakeholders, including residents and local business owners;
- Community housing advocates and faith-based organizations; and
- Local real estate development community (coordinated through the ULI Washington District Council).

Summaries of stakeholder perceptions and findings of the design workshop brainstorming session are provided in the following discussion.

Summary of Stakeholder Input

The project team met with business owners, property owners, local developers and others identified by the project sponsors to solicit feedback regarding existing condition perceptions.

This process relied upon existing stakeholder networks established by the ULI Technical Assistance Panel process and drew from the general business community to better understand the challenges and opportunities facing business owners on Belair Road.

Willdan contact business/property owners and were notified that, in addition to the retail consumer intercept survey, the project team was conducting stakeholder interviews with businesses, property owners and developers to identify recommendations to the City and County of Baltimore to promote the revitalization of the Belair Road neighborhood. The interviews were conducted in person, by telephone and by email and included the following questions:

- What are the general characteristics of your business (square feet, operating characteristics, market draw, etc)?
- Have you ever considered redevelopment/renovation/expansion?
- What are the challenges that you face in operating your business?
- Where do you see the greatest opportunities for expanding your business?
- Generally speaking, how do you see Baltimore City/County supporting your business?
- What other types of support could Baltimore City/County provide to support your business?

Based on this input the key threats/weaknesses currently challenging revitalization efforts along the Belair Road Corridor project area include:

- Economy is still very challenging
- City taxes and regulations are expensive for business (bottle tax, “rain tax”)
- Perception of Belair Road Corridor project area as unsafe, not clean (crime/drugs, trash/litter)
- Business owners are challenged by the need for capital and public investment in infrastructure
- Enhanced/strategic code enforcement is needed (litter, crime, blight, public intoxication/urination, traffic/parking)
- Belair Road Corridor is lacking a “sense of place”; there is a need/opportunity for public realm improvements (full implementation of proposed “Complete Streets” infrastructure upgrades comparable to Harford Road.

Concurrently, the primary strengths/opportunities identified by stakeholders include:

- Evidence of positive reinvestment and property assemblage activity (including interest by national chain retailers)

- Existing property owners undertaking long-term, strategic re-tenanting plans to replacing undesirable, low-rent uses with high quality neighborhood services and eating/drinking establishments

Summary of Design Workshop Brainstorming

The key Design Workshop recommendations were:

- Establish the area as a place to "stop and shop" with:
  - Event programming
  - Install light pole banners
  - Colorful awnings over business entrances
  - New street furniture/outdoor seating
  - Consistent signage with a strong neighborhood brand
  - Façade improvements
  - Branding
  - Small business loans and creative grants
- Strengthen nearby neighborhoods through targeted programming by local governments
- Attract additional small format, neighborhood-oriented uses

From a more targeted perspective, the Design Workshop concluded that the following specific urban planning and design improvements/redevelopment opportunities should be implemented within each walkable node and priority opportunity site (Figure 2):

Walkable Node #1: Belair-Edison:

- Improve walkable environment
- Retain on-street parking
- Create nearby off-street shared parking
- Encourage "arrival on foot" to local businesses
- Capitalize on existing Main Street

Walkable Node #3: Gardenville:

- Strengthen East-West connections
- Attract youth-friendly and family-oriented businesses
- Capitalize on the presence of strong anchors (Gardenville Elementary, St. Anthony of Padua Catholic Church)
- Share trade areas with the Hamilton Business District

Walkable Node #3: Overlea:

- Set a distinct identity to the node, through branding that pulls from the Natural History Society of Maryland
- Transform the museum's parking lot into a long-term development
- Maintain and preserve existing assets

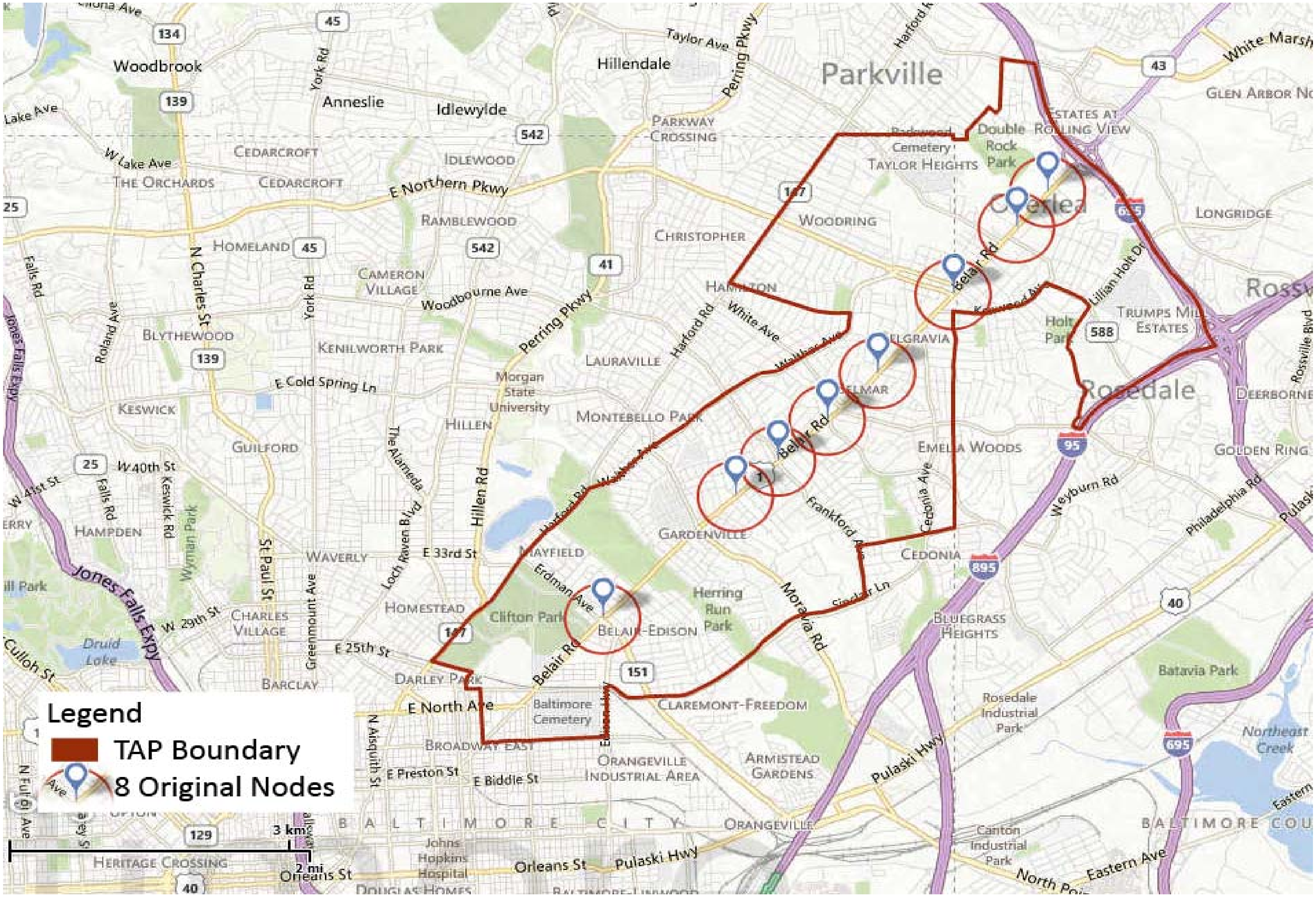
Potential Opportunity Area #7: Fullerton:

- Re-orient existing retail at the intersection of Belair Rd. and Fullerton Ave

- Host and anchor retail use on the northern edge of Belair Rd. and Fullerton Ave
- Encourage new development to have street frontage and parking in the rear or below-grade
- Install upgrades such as bump-outs and wider sidewalks
- Large underdeveloped parcels at the intersection of Belair Rd. and Fullerton Ave. have the potential for large-scale redevelopment

Finally, the workshop identified the phasing strategies that outline near-, mid-, and long-term timeframes using the framework for nodes and opportunity sites further defined in the proposed Belair Road Corridor Economic Development Implementation Plan detailed at the conclusion of this report.

Figure 2: Belair Road Corridor Priority Redevelopment Nodes/Walkable Areas



VII. Development Incentives/Regulatory Tools Assessment

The purpose of this task is to identify the economic challenges evidenced by project area's existing conditions and the specific public interventions that would further the Belair Road Corridor's ability to attract private redevelopment/investment, recapture lost regional market share (retail leakage), and expand residential development/redevelopment opportunities.

Based on the project team's assessment of the City of Baltimore and Baltimore County's existing development incentives framework, the project team provides recommendations for the development incentives and regulatory tools that would serve to further transition the Belair Road Corridor into a more distinctive and regionally competitive location for a diverse range of businesses and residents.

Economic Constraints and Opportunities

Following stakeholder input from City of Baltimore and Baltimore County staff, project sponsors, and Belair Road Corridor project area residents and business owners, the following opportunities for enhanced development incentives were identified:

- Need for continued small business incubation assistance (especially real estate development mentoring for existing property owners undergoing large scale site assemblage for redevelopment/rehabilitation)
- High cost of doing business (business owners voiced serious concerns regarding the Baltimore Beverage Tax, or "Bottle Tax" equal to five cents per bottle and the Maryland Stormwater Fee, or "Rain Tax" equal to approximately $622 per commercial acre annually[2])
- Lack of significant daytime retail support traffic due to a lesser concentration of employment centers
- Need for traffic calming/pedestrian friendly infrastructure upgrades
- Need for community branding, wayfinding and other public improvements that would serve to position the corridor as an attractive destination to shop for unique goods and services and enjoy community programming and events.

Willdan reviewed the City of Baltimore and Baltimore County's existing incentives and proposed infrastructure improvements to determine if specific tools and policies from other communities might further assist the Belair Road Corridor to address the commercial development issues identified in by the market assessment. These development incentives and tools include:

- Legal and regulatory tools
- Financial tools; and
- Public investment in infrastructure and public realm improvements.

[2] Per Water & Wastewater/Stormwater Management, www.publicworks.baltimorecity.gov, 2014.

In addition to the detailed list of public development incentives and regulatory tools currently offered by the City of Baltimore and Baltimore County located in the Technical Appendix of this report, the following is a brief overview of the strategic public investments and development tools that the project team considers to have the greatest opportunity to attract private investment to the Belair Road Corridor project area.

Table 5: Current Development Incentives/Regulatory Tools

Current City of Baltimore/Baltimore County Development Incentives/Regulatory Tools
More than $3 million in 'Complete Streets' improvements underway Belair Road neighborhood eligible for New Markets Tax Credits – up to 39% of equity investment (over 7 years)
High Performance Market Rate Rental Housing Tax Credit
Architect on Call Program
Building Loan Improvement Program
Commercial Revitalization Tax Credits
Action Grants
Baltimore Development Corporation Loans
Brownfield Tax Credit
Enterprise Zone Real Property and Personal Property Tax Credits
Façade Improvement Grants
Payment In Lieu of Taxes (PILOTs)
One Maryland Income Tax Credit

Source: Baltimore Development Corporation; Baltimore County Department of Economic and Workforce Development; Baltimore County Department of Planning; Willdan, 2013.

Following is a discussion of the applicability of current City of Baltimore and Baltimore County development incentives and regulatory tools as well as examples of additional programs from other communities that could potentially further incent private investment to the Belair Road Corridor.

Legal and Regulatory Tools

Zoning and development regulation are often the point of departure for developer community relationships. In the context of the Belair Road Corridor, two tools in particular offer substantial opportunity to achieve several revitalization objectives: form-based code and strategic code enforcement.

"Smart" Design Guidelines / Form-Based Code

The City of Baltimore Department of Planning recently proposed updates to the zoning code ("TransForm Baltimore") to include form-based requirements. In addition, it has much-strengthened design guidelines for all zoning districts, including very clear requirements for what projects must undergo the city's formal design review process.

TransForm Baltimore was approved by the city's Planning Commission in April 2013 and has been sent to Baltimore City Council for approval (still pending). The new code is designed to be easier to use and understand, more predictable and enforceable. The goals of Transform Baltimore include:

- Increasing user-friendliness;
- Improving administration;

- Modernizing use structure;
- Incorporating urban design objectives;
- Preserving neighborhood character while promoting appropriate redevelopment;
- Ensuring coordination with the Comprehensive Plan;
- Integrating Urban Renewal Plans; and
- Promoting sustainable development.

TransForm Baltimore is part of the city's effort to become a more competitive, livable place and entirely consistent with the findings of the Belair Road Corridor TAP study and the resulting market study's design workshop brainstorming. As existing businesses undergo renovation/redevelopment and new properties are constructed, implementation of "TransForm Baltimore" design guidelines will further the revitalization of the Belair Road Corridor into an attractive destination to shop for unique goods and services and enjoy community programming and events

Design guidelines can also occur in Urban Renewal Plans (URP), Planned Unit Developments (PUDs) and local historic districts. The Belair Road corridor has several PUDs and one URP, the Belair-Erdman URP. While the URP does not presently contain design guidelines, the Baltimore City Council could consider amending the existing Belair Road URP to include such standards and a community review panel. URPs can also limit certain uses and bulk or impose landscaping standards to achieve a better sense of place for consumers seeking a place to "stop and shop" along the Belair Road Corridor.

The ULI TAP Report identified "prevalent commercial zoning" as weakness of the corridor. The report stated, "the current regulatory environment along Belair Road is largely commercial zoning along the corridor's edge, creating an extensive linear network of small businesses, strip retail centers, and standalone establishments. The over-commercialization of Belair Road has diluted the diversity of corridor and contributed to a lack of identity."

To facilitate and encourage reinvestment in the Belair Road corridor from a regulatory perspective, it was recommended that zoning and land use designations along the corridor be reevaluated to allow for more residential uses in the linkage areas and concentrated mixed-use development at the nodes and opportunity sites.

Since the time the ULI TAP Report was written, the City of Baltimore has recommended zoning changes that are consistent with the recommendations of the original ULI TAP Report, mainly, concentrating auto uses in certain areas of the corridor that have strong auto anchors (using the C-3 zone), and de-intensifying the remainder of the corridor by zoning it C-1 (Main street, at the pedestrian nodes) or C-2 (mix of pedestrian and drive-to commercial, the non-main street, non-auto commercial areas).

A small amount of row house mixed-use overlay would exist on the corridor, allowing a predominately row house residential area where the owner may be permitted to do limited commercial activities on the first floor. Another "Smart Code" that could assist in promoting adaptive reuse of exiting commercial building types to mixed-use residential over retail is the Maryland Building Rehabilitation Code (MBRC). The purpose of the MBRC is to encourage and facilitate the rehabilitation of existing buildings by reducing the cost of and constraints on rehabilitation that result from existing procedures and standards.

Today, nearly the entire corridor is zoned B-3, which permits a wide range of commercial uses, including the full range of auto-oriented uses.

Strategic Code Enforcement (SCE)

The City of Baltimore primary strategic code enforcement effort is Baltimore Housing's Vacants-to-Values program. Strategic code enforcement or SCE, is the primary mechanism used for stabilizing the housing markets in transitional neighborhoods, thereby preventing the real estate markets from further deteriorating. SCE addresses trash, blight, vacancies, and many other violation types.

The City of Baltimore is piloting a streamlined code enforcement approach with fines that increase quickly if nothing is done to incent owners to take action quickly; without action, properties revert from auction into receivership so that a new owner can rehabilitate it. This ensures that vacant and blighted occupied homes don't remain in strong neighborhoods for long periods.

Financial Tools

Willdan evaluated a number of alternatives that could provide direct financial assistance to Belair Road Corridor businesses. The City of Baltimore and Baltimore County offer a wide variety of small-medium business incubation and assistance programs for façade improvements, initial capital investment, workforce training and other short-term, small-scale needs. For large scale investments, direct public subsidies (cash grant or low interest loan) are available for blighted properties.

A popular tool for providing public financing for private redevelopment initiatives is tax increment financing, or TIF. Although legislation enabling Tax Increment Financing was authorized in Maryland, the Belair Road Corridor is located in a Maryland Enterprise Zone and already offers a Payment in Lieu of Tax (PILOT), or a tax abatement. It is not feasible to collect incremental taxes on parcels already participating in a PILOT (tax abatement) program.

Furthermore, the Belair Road Corridor is characterized by low density, narrow commercial parcels abutted by residential uses and it would be difficult to generate sufficient critical mass of incremental tax revenues to make a Tax Increment Financing program work effectively.

Instead, it is recommended that Belair Road Corridor's existing business associations and other non-profit organizations continue to work with Baltimore City and County officials to take advantage of the wide array of development incentives programs and to advocate for the full implementation of proposed public infrastructure improvements.

The Belair Road Corridor project area is actively supported by the activities of several organizations that support local/independent businesses including:

- Gardenville/Belair Road Business Association
- Harbel Community Organization
- Belair-Edison Neighborhoods, Inc./Belair Road Main Street
- City of Baltimore
- Baltimore County
- Greater Baltimore Committee
- Baltimore City Chamber of Commerce
- Governor's Office of Business Advocacy and Small Business Assistance (GOBA)
- SCORE– Counselors to America's Small Business
- Maryland Small Business Development Center
- Small Business Resource Center
- Women Entrepreneurs of Baltimore, Inc.

Through these existing public and non-profit organizations, Belair Road businesses have access to a full range of access to educational assistance, financial assistance (primarily SBA funding), and other general business assistance.

In short, the small business owner with a solid business plan and adequate credit has access to a wide range of important small business support tools through Baltimore City and County resources. However, organizations like the Belair Road Main Street have very limited budgets and are focused primarily on festival marketing and other business promotion activities.

These organizations could be further supported by additional business alliance programs and services targeted to retail redevelopment as detailed by Case Study examples profiled in the Technical Appendix to the report.

Over the long term, as the Belair Road Corridor continues along its path of revitalization and reinvestment it will eventually be in a position to support a formalized commercial management district entity with a broad-based, long-term funding mechanism, such as a Business Improvement District.

A Belair Road Corridor Business Improvement District would enable the submarket to establish a dedicated funding stream to assist with a number of effective commercial revitalization strategies, as detailed in the following section of this report.

Business Improvement District Financial Tools

Typical business improvement districts provide the following types of business assistance:

- **Targeted Incentives:** Commercial management district (CMD) entities can do much more than provide services for a clean and safe commercial destination. Once potential gentrification is identified, CMD's can provide targeted assistance programs to those businesses most at risk through low-interest loans, façade improvements, design assistance, and other support that requires an established funding stream.

- **Transportation and Parking:** BIDs and other Commercial Management Districts (CMDs) are increasingly addressing issues of local transportation and planning by developing support for transit initiatives. Businesses can greatly benefit from improved access, expanded parking options and safer pedestrian experiences. Although the transportation elements of BID programs typically focus on pedestrian movement, more comprehensive planning is now including enhanced directional signage for parking lots (public and private) and auxiliary shuttle transportation systems.
- **National Store Mentoring Assistance:** BIDs frequently serve as a business education resource and connector. Local business associations frequently team with BIDs to expand technical assistance programs to reach independent owners in need. This program gives local businesses access to the same tools and knowledge as national chains through training in marketing, inventory control, merchandise display, etc.
- **Patient Investment Capital:** Survival in gentrifying market requires expansion and upgrading. Independent businesses frequently are in need of "patient equity" pools that are neither grants nor loans but rather equity contributions that receive a return on the contribution on a time-deferred basis.
- **Negative Sandwich Leases:** This tool is a subleasing arrangement in which the BID or commercial management district entity assumes responsibility for the difference between the overall lease and the below-market amount charged to the sub-tenants. Rents then increase incrementally at a rate of $1 per foot a year until it achieves rent closer to market rates.
- **Succession Planning:** This planning tool enables the commercial management district entity to identify strong local businesses at risk due to causes not related to ownership or management and to work with them to create a succession plan to stabilize the business.
- **Space Adjustment:** Many small businesses pay too much rent because their space is too large for their actual needs. A commercial management district entity can assist with identifying smaller spaces to reduce rental rates.

Further, the Belair Road Corridor appears to offer the potential for expanding its Main Street Program into a Business Improvement District or other Commercial Management District entity with an established funding stream to help support financial incentives and other commercial support programs for unique independent retailers.

Priority Public-Sector Investment Targets

Based upon findings derived from the market analysis and retail intercept survey, the project team evaluated the proposed redevelopment planning targets to inform recommendations regarding priority public-sector investments and the associated economic development strategies that could serve to attract private investment to the Belair Road Corridor.

This analysis serves as the basis for identifying and prioritizing public-sector investment needs (infrastructure) in the Belair Road corridor study area.

The recommended public investment strategy was determined in cooperation with the Belair Road Corridor project sponsors and its affiliated organizations to assure that its objectives and outcomes balance market opportunities, fiscal/financial realities, site carrying capacity and planning goals.

Infrastructure Improvements and Investments

Aging infrastructure, high traffic speeds and roadway characteristics which prioritize automobile travel have also discouraged redevelopment on Belair Road. In 2010, Baltimore City Department of Transportation drafted the Belair Road Corridor Traffic Study which identified several major traffic concerns and made recommendations for safety improvements between Sinclair Lane and Fleetwood Ave. The study's recommendations included major signal modifications at Erdman Avenue., traffic calming and pedestrian access improvements throughout the corridor, bike lanes, and possible medians where right of way is sufficient.

In 2011, Urban Land Institute with the help of various city agencies drafted a comprehensive land use and transportation assessment of the corridor. The report identified three key nodes for infrastructure improvements: Erdman Avenue, Frankford Avenue., and Fleetwood Avenue.

The report recommended transit and pedestrian access improvements, greening, wayfinding and traffic calming for the three nodes, with the overarching goal of creating a "Main Street" character in these areas and spurring commercial and residential redevelopment on the corridor.

The Baltimore County Department of Transportation has programmed between $3.6 million and $4.2 million for design and construction of infrastructure improvements which will support efforts by public agencies and community groups to revitalize Belair Road.

Construction will be funded with Federal Highway Transportation funds, while more flexible local funds will be used for design. Both the ULI TAP Report and the Belair Road traffic study will serve as foundation documents for these infrastructure improvements.

Additionally, Blue Water Baltimore – with funding from the Chesapeake Bay Trust – is conducting infrastructure upgrades to the Belair-Erdman intersection to increase the amount of pervious pavement and increase green landscaping.

General design components of the Baltimore County Department of Transportation "Complete Streets" project include:

- Design features at nodes (Erdman, Frankford, Fleetwood)
- Basic infrastructure and geometric improvements where needed (Resurfacing, Curb/gutter, etc)

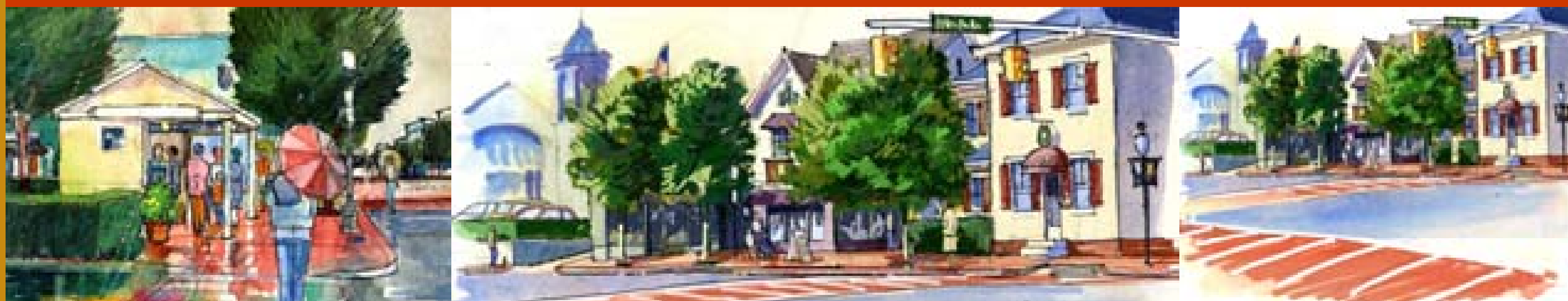
- Expanded sidewalks
- ADA compliant curb cuts
- Lighting (if needed)
- Planted medians
- Decorative crosswalks
- Signal upgrades, removal of span wires
- Bumpouts
- Greening
- Curb cut consolidations
- High quality bus shelters/real time arrival information
- Bike parking
- Way finding
- Public art
- Seating/plazas on public right of way
- Other traffic calming components
- Other safety improvements based on the BCDOT Belair Road Corridor Study
- Design features linking nodes
- Bike lanes between Fleetwood and Brendan Ave
- Neighborhood banners
- Way finding
- Crosswalk improvements/additional crosswalks where missing
- Travel lane restriping to improve safety/calm traffic where possible
- Once implemented, these improvements will serve to substantially improve the corridor's functionality for businesses and residents alike, serving as a catalyst for further revitalization efforts as evidenced by the Harford Road commercial redevelopment activity.

Conclusion

- Although the Belair Road Corridor project area's existing conditions are challenged by physical and economic conditions that would be substantially improved by public investment such as the "Complete Streets" program, there are several other public programs available to the private sector that are structured to attract redevelopment/investment, recapture lost regional market share (retail leakage), and expand residential development/redevelopment opportunities.
- Based on the project team's assessment of the City of Baltimore and Baltimore County's existing development incentives framework, the Belair Road Corridor project area already offers a sophisticated array of development incentives and regulatory tools that would serve to further

transition the Belair Road Corridor into a more distinctive and regionally competitive location for a diverse range of businesses and residents.

- However, at the time of this report's issuance, the proposed Belair Road Complete Streets" plan is only partially funded which may result in incomplete bike lane connectivity. It is recommended that advocates of the Belair Road Corridor revitalization initiative continue to lobby for full funding of the proposed Complete Streets initiative to demonstrate the public's commitment to fully implementing the Economic Development Strategy Implementation Plan.



Gardenville Belair Road Business Association

HARBEL
Community Organization

ROSEDALE FEDERAL
Your neighbor. Your guide. Your bank.

BALTIMORE COUNTY MARYLAND

BALTIMORE
DEVELOPMENT CORPORATION

CITY OF BALTIMORE

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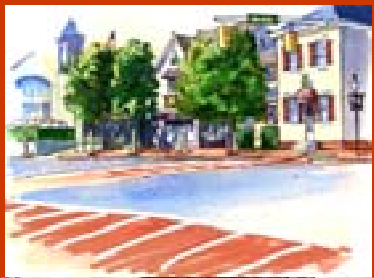
Part II: Technical Appendix Report

Belair Road Comprehensive Real Estate and Economic Development Assessment

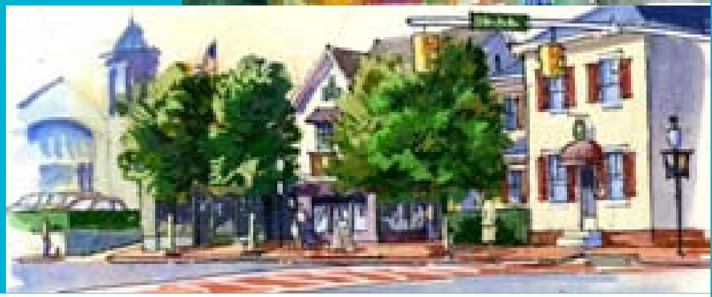


Prepared for

Gardenville/Belair Road Business Association and HARBEL Community Organization

With funding provided by

Baltimore Development Corporation and Baltimore County, Maryland



August *21, 2014*

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Part II: Technical Appendix Report

Belair Road Comprehensive Real Estate and Economic Development Assessment

Prepared for

Gardenville/Belair Road Business Association and
HARBEL Community Organization
Baltimore, Maryland

Submitted by

Willdan Financial and
Economic Consulting Services
(Willdan)

August 21, 2014

I. Technical Appendix Report: Introduction

In March 2011, ULI Baltimore partnered with the City of Baltimore and Baltimore County to convene 11 volunteer expert panelists to recommend a comprehensive, yet strategic, approach to positioning the Belair Road Corridor project area (Figure 1) to continue to appeal to the surrounding neighborhoods and thrive in the 21st century.

The ULI Baltimore Regionalism Committee initiated this exercise, known as the Belair Road Technical Assistance Panel (TAP), to foster increased collaboration among neighboring jurisdictions.

The ULI Baltimore TAP program generally seeks to provide expert, multidisciplinary advice on land use and real estate issues facing public agencies and nonprofit organizations in the Greater Baltimore Metropolitan Region.

Accordingly, the purpose of the Belair Road TAP was to better understand the potential to revitalize the Belair Road corridor over the short– and long-term.

With a deep cross-section of expertise in economic development, transportation, and urban design among other disciplines, the TAP effort commenced with an introduction of the Belair Road TAP Study Area by city and county representatives, followed by a tour of the corridor and several roundtable discussions with area stakeholders and public officials.

Based on this dense information exchange, the panel developed a Corridor Revitalization Framework Strategy for Belair Road that focused on the following:

- priority redevelopment nodes
- priority redevelopment opportunity sites
- linkages between nodes economic development strategies
- sense of place/branding strategies that
- residential neighborhood
- conceptual design
- streetscape and transportation strategies
- public policy strategies

In addition to the overall corridor framework and strategies, the panel also outlined the necessary steps to initiate the revitalization of the Belair Road Corridor. These findings indicated the need for:

- comprehensive market analysis
- broad code enforcement
- proactive community and public sector investment
- utilization of existing public incentives
- land use modification
- readiness for private sector development

The purpose of this study is to further implement the recommendations related to the need for a comprehensive market analysis and evaluation of existing public incentives as precursors to readiness for private sector development.

With funding provided by the City of Baltimore and Baltimore County, Community Investment Tax Credits Funds procured by the Greater

Baltimore Committee, the Gardenville/Belair Road Business Association, Harbel Community Organization, Rosedale Federal and Frankford Towing (the “project sponsors”) retained Willdan Financial and Economic Consulting Services and our sub-consultant team (Design Collective, Inc., WTL + a, and WBA Research, or the “project team”) to conduct a Comprehensive Real Estate and Economic Development Assessment of the Belair Road Corridor and surrounding areas.

This study provides a corridor-wide market analysis to assess existing housing and commercial conditions, identify the appropriate industry segments for the corridor, prescribe the rates of housing and commercial absorption over the next 10 years, and describe the steps needed to attract specific residential, retail, and office users to the Belair Road Corridor project area.

To further support the indicators of market demand for new residential, retail, and lodging development activity in the Belair Road Corridor project area and the recommended Economic Development Implementation Plan detailed in Part I: Technical Report, the following Part II: Technical Appendix Report provides the full report documents for:

- Consumer Intercept Survey Report conducted by WBA Research;
- Market Analysis prepared by WTL + a Urban Real Estate Advisors;
- Belair Road Design Workshop conducted by Design Collective; and
- Belair Road Development Incentives/Regulatory Tools Case Studies.

Together, the results of this detailed market research, stakeholder interviews, intercept surveys and related analysis form the basis for the Belair Road Corridor Economic Development Strategy Implementation Plan proposed in Part I: Technical Report of this study.

The Belair Road Corridor benefits from a strong community network of advocates – public, private and civic – who are dedicated to further the revitalization of this great Baltimore neighborhood. The recommended next steps will require further implementation of key public infrastructure improvements (Great Streets, etc.), continued private investment attraction, and promotion of the neighborhood’s key successes along the way.

Belair Road Comprehensive Real Estate and Economic Development Assessment: Technical Appendix

Appendix A – Belair Road Comprehensive Real Estate and Economic Development Assessment Final Presentation

November 18, 2013 Presentation to

City of Baltimore

Baltimore County Maryland

Gardenville Belair Road Business Association

HARBEL Community Organization

GREATER BALTIMORE COMMITTEE
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BELAIR-EDISON NEIGHBORHOODS, INC.

BALTIMORE DEVELOPMENT CORPORATION

Belair Road Comprehensive Real Estate and Economic Development Assessment

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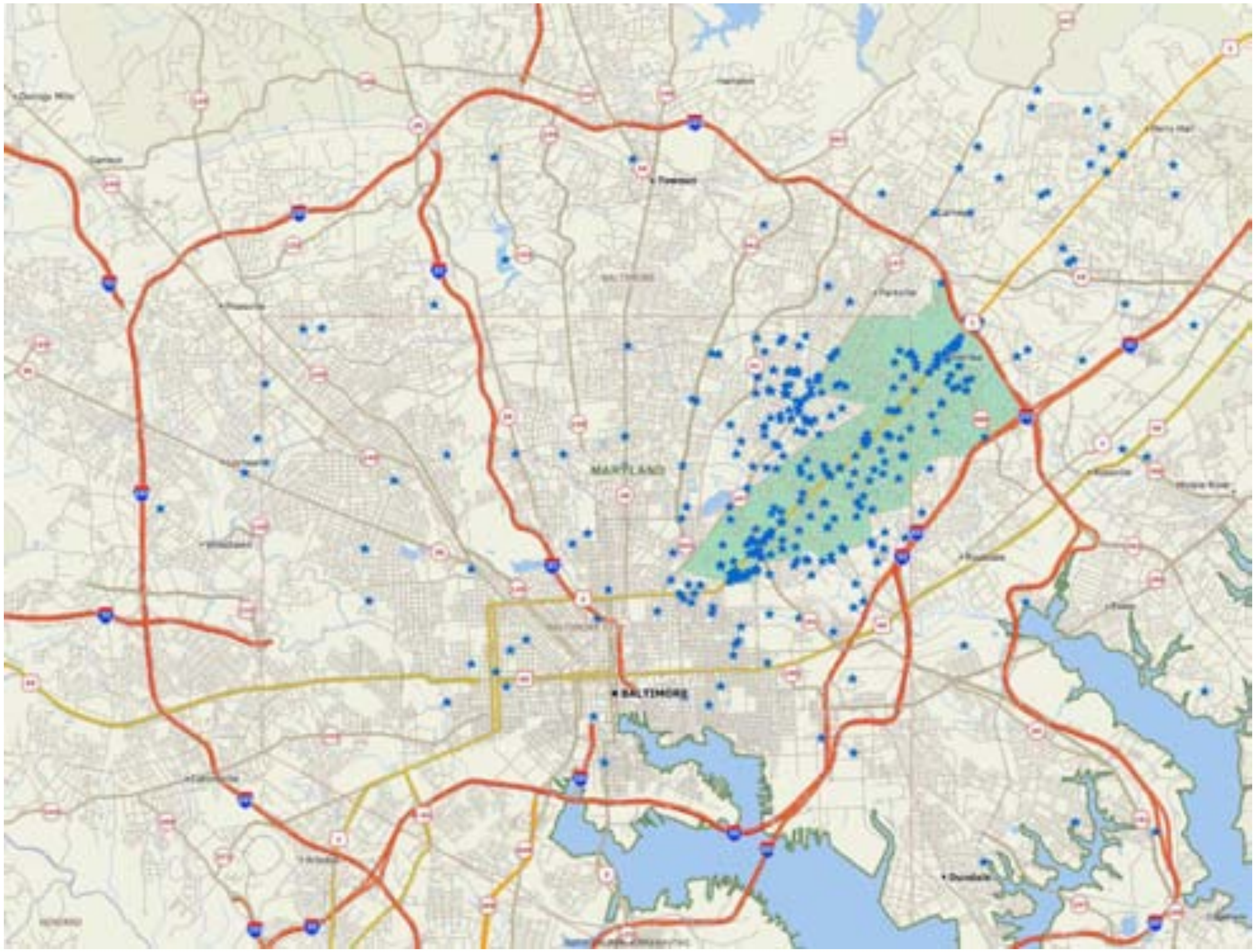
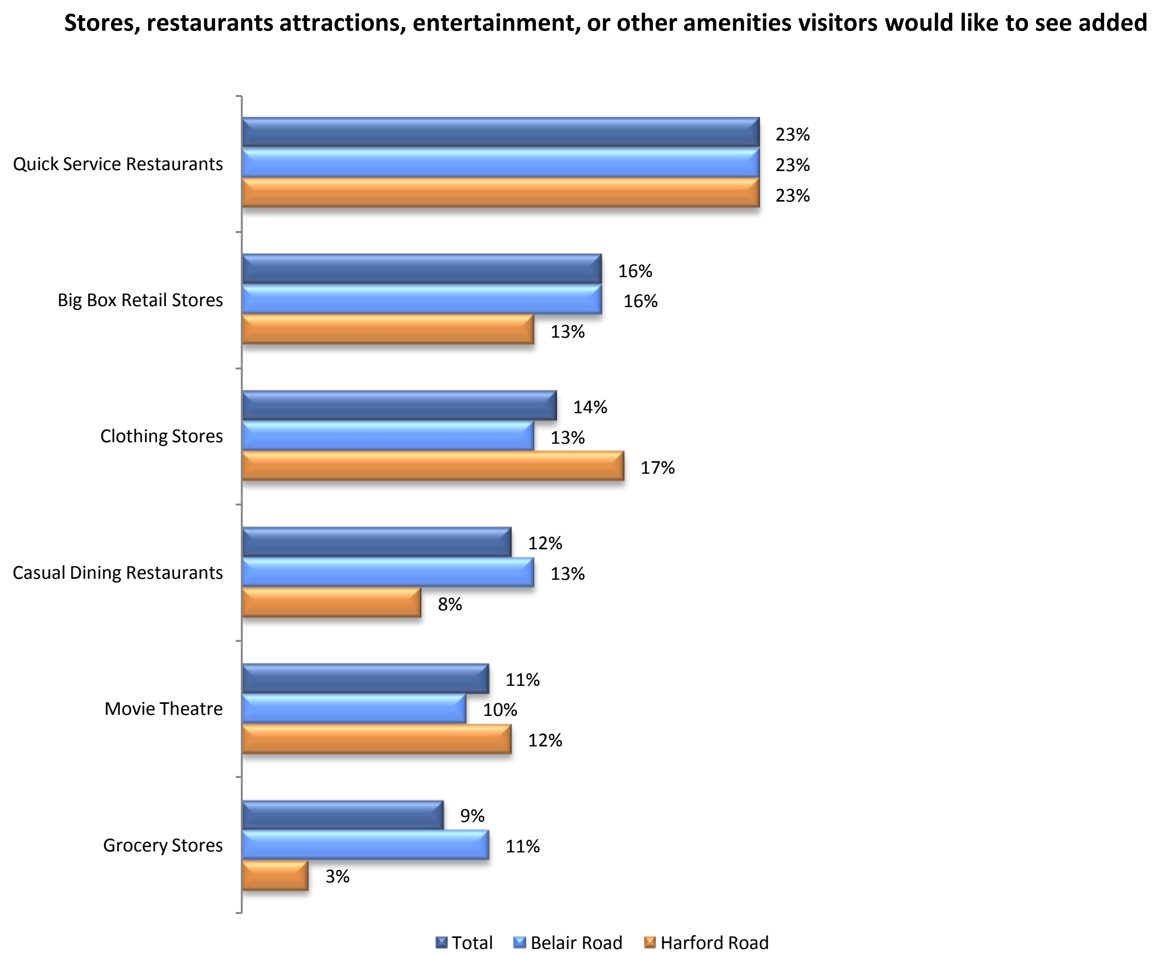
wba RESEARCH

Area of Residence Maps



New stores, restaurants or other amenities for the neighborhood



New stores, restaurants or other amenities for the neighborhood (continued)

Those who would visit desired businesses 2+ times per month Among all visitors		
Total	**Belair Road**	**Harford Road**
Quick service restaurants (22%)	Quick service restaurants (22%)	Quick service restaurants (20%)
Big box retail stores (13%)	Big box retail stores (15%)	Clothing stores (11%)
Clothing stores (10%)	Casual dining restaurants (11%)	Big box retail stores (10%)
Causal dining restaurants (10%)	Clothing stores((9%)	Movie theater (10%)
Movie theater (9%)	Grocery stores (9%)	Causal dining restaurants (7%)
Grocery stores (8%)	Movie theater (8%)	Grocery stores (3%)

Why a Market Analysis?

- Evaluate existing land uses: what's on the ground?
- Profile demographic & economic characteristics
- Analyze real estate market conditions
- Measure revitalization potentials, by use & location

Peeling Back the Onion

- Logical retail "trade area": 102,000 residents in 39,000 HHs
- Retail leakage: $370 million/year in HH spending *leaves* the neighborhood!
- Presence of national retailers a key market strength
- Hotel occupancies jumped from 58% to 68%
- Reducing/eliminating vacant housing is critical

Revitalization Opportunities

- **In-fill Elderly/Age-restricted Housing: 40 to 80 units**
- Increase in households
- Aging population
-
- **General Retail: 80,000 to 100,000 SF**
- Recapturing up to **$27 million** in *annual* sales leakage
- Recruitment strategies for investment-grade tenants
- Leveraging public investment
- Combination of new construction & releasing vacant storefronts
-
- **Lodging: 80 to 120 Rooms**
- 3 to 5 years out
- Beltway frontage/visibility critical
- Oriented to "limited-service" flag

Walkable Nodes – TAP Recommendations

All Nodes:

Establish the area as a place to “stop and shop”

- Event programming
- Install light pole banners
- Colorful awnings over business entrances
- New street furniture
- Outdoor seating
- Limited signage
- Façade improvements
- Branding
- Small business loans and creative grants

Strengthen nearby neighborhoods through targeted programming by local governments

Attract additional small format, neighborhood-oriented uses

Walkable Node #1: Belair-Edison

- Improve walkable environment
- Retain on-street parking
- Create nearby off-street parking
- Encourage “arrival on foot” to local businesses
- Capitalize on existing Main Street

Walkable Node #1: Belair-Edison

Walkable Node #3: Gardenville

- Strengthen East-West connections
- Attract youth-friendly and family-oriented businesses
- Capitalize on the presence of strong anchors (Gardenville Elementary, St. Anthony of Padua Catholic Church)
- Share trade areas with the

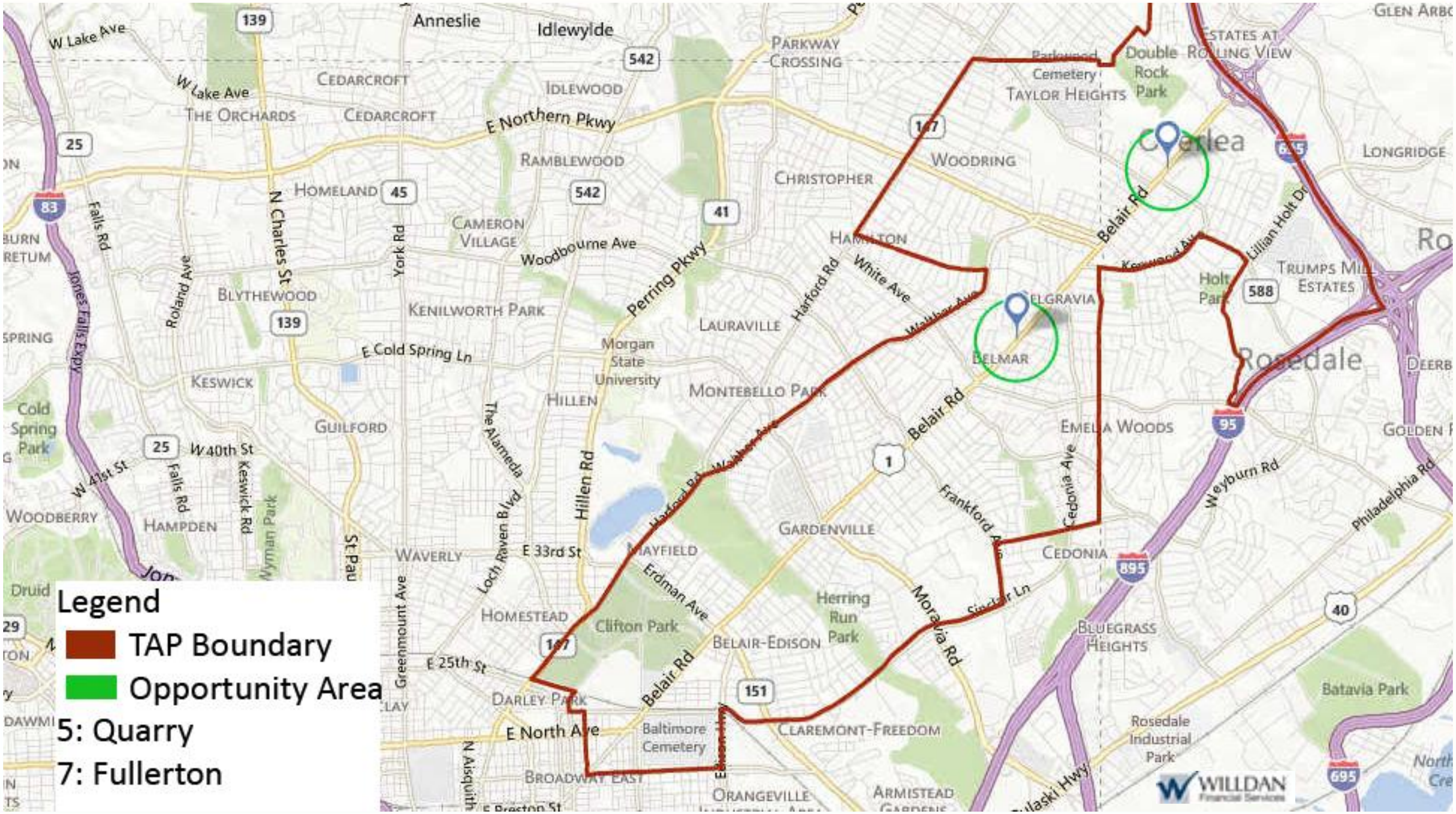
Walkable Node #3: Gardenville

Walkable Node #6: Overlea

- Set a distinct identity to the node, through branding that pulls from the Natural History Society of Maryland
- Transform the museum's parking lot into a long-term development
- Maintain and preserve existing assets

Walkable Node #6: Overlea

Opportunity Areas



WHY INVEST IN BELAIR ROAD?

A strong retail "trade area"…

- 102,000 residents in 39,000 HHs
- **Retail leakage:** $370 million/year **in HH spending leaves the neighborhood**

Targeted Revitalization Opportunities…

- **In-fill Elderly/Age-restricted housing from 40 to 80 units**
- **Increase General Retail from 80,000 to 100,000 SF**
- **Recapture up to $27 million in annual sales leakage**
- **Lodging – increase from 80 to 120 rooms**

Opportunity to Leverage Public Investment:

- **More than $3 million in 'Complete Streets' improvements underway**
- **Belair Road neighborhood eligible for New Markets Tax Credits – up to 39% of equity investment (over 7 years)**
- **High Performance Market Rate Rental Housing Tax Credit**
- **Architect on Call Program**
- **Building Loan Improvement Program**
- **Commercial Revitalization Tax Credits**
- **Action Grants**
- **Baltimore Development Corporation Loans**
- **Brownfield Tax Credit**
- **Enterprise Zone Real Property and Personal Property Tax Credits**
- **Façade Improvement Grants**
- **Payment In Lieu of Taxes (PILOTs)**
- **One Maryland Income Tax Credit**

Special Thanks to our Sponsors

Market Analysis Sponsors: City of Baltimore, Rosedale Federal Savings and Loan Association, Frankford Towing

Event Sponsors: Willdan Financial and Economic Consulting Services and Brown Craig Turner

Market analysis prepared by Willdan Financial Services, WTL+a, Design Collective, and wba Research

For more information about development opportunities in the Belair Road neighborhood, contact:

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Appendix B – Belair Road Economic Development Intercept Survey

Belair Road
Economic Development Intercept Study (DRAFT)

Prepared for:

HARBEL Community Organization

and

WILLDAN

Prepared by:

wba RESEARCH

June 11, 2013

Job Number: 13-469

Table of Contents

Background, Objectives and Methodology

HARBEL Community Organization and Willdan commissioned WBA Research to conduct consumer intercept surveys in support of the Belair comprehensive real estate and economic development assessment. This study sought to gain a deeper understanding as to what individuals along Belair Road and Harford Road think of the neighborhoods they frequently visit and what stores, restaurants, and amenities they would like to see added to these areas. To thank participants for participating in the brief intercept study, a $2 incentive was provided to participants who completed the survey.

This survey was completed by 463 participants (341 along Belair Road and 122 along Harford Road) between May 4th and May 14th, 2013. The total of 463 completed surveys yields a maximum sampling error of ±4.6 percentage points at the 95% confidence level.

Where appropriate the data is broken out to show the responses of those who were intercepted along Belair Road versus those who were intercepted along Harford Road. Significant differences between these two populations is indicated by a around the significantly higher number.

Key Findings

Key Findings

Overall, those visiting Belair Road are significantly more likely than those visiting Harford Road to be visiting a business. They are also significantly more likely to be shopping at a grocery, drug or convenience store or retail shopping than Harford Road. It appears visiting are more likely to be coming to Belair Road for shopping, while those on Harford Road are more likely to be visiting for dining.

Belair Road/Harford Road is the area visitors most often come to for shopping, dining, or other leisure or entertainment activities. However, Belair Road visitors are significantly more likely to say that they also frequent areas outside of the neighborhood than are Harford Road visitors. This may be because they feel they have to travel outside of the neighborhood to meet their needs.

A key driver analysis was performed using the ratings of the neighborhoods. Correlation analysis was utilized in an effort to provide recommendations to improve any unmet needs at Belair Road by comparing it to Harford Road. "High priorities" and "opportunities" were identified for both Belair Road and Harford Road. If these attributes: **quality and availability of attractions or entertainment, and the quality and availability of parks** are improved upon for Belair Road, increased satisfaction may be seen. What needs to be remembered is that many visitors are not necessarily comparing Belair Road to Harford Road, but rather are comparing one or both areas to other areas they frequent. Visitors may not wish for Belair Road be more like Harford Road; rather, they may aspire for it to be more like Towson, White Marsh, and/or other areas they visit.

When asked what sort of stores, restaurants, attractions, entertainment, or other amenities they would like to see added to Belair Road that would make them come to the neighborhood more often, the majority mentioned **quick service restaurants** and/or **big box retail stores**. In addition, significantly more visitors to Belair Road mentioned they would like to see grocery stores than from Harford Road.

Of the stores, restaurants, attractions, entertainment, or other amenities respondents would like to see added, quick service restaurants would be the most frequently visited, with about two in ten of all visitors saying they will visit them more than twice a month. Big box retail stores would be the second most frequently visited, particularly on Belair Road.

What follows are the detailed findings of the results from the Belair Road Economic Development Intercept Study.

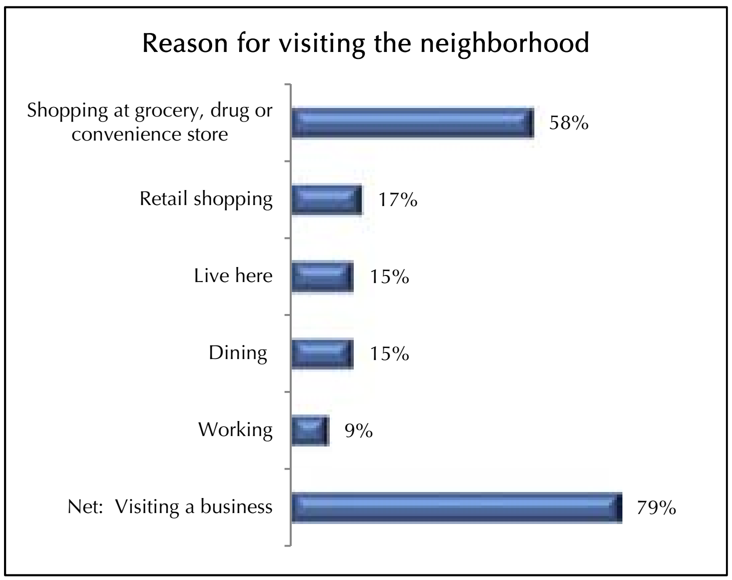
Detailed Findings

Reason for visiting the neighborhood

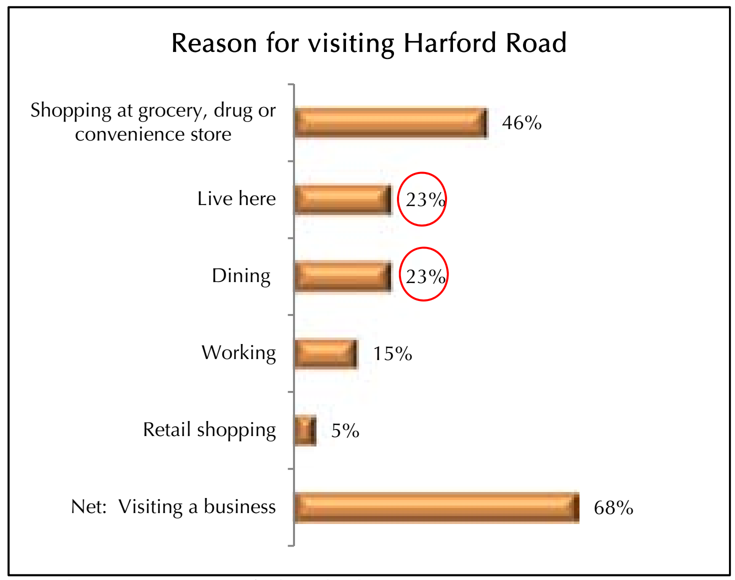
Overall, nearly eight in ten (79%) respondents say they are visiting the neighborhood they were intercepted in to visit a business.

Those visiting Belair Road were significantly more likely to be there visiting a business (82% vs. 68%) and shopping at a grocery, drug or convenience store (62% vs. 46%) or retail shopping (21% vs. 5%) than Harford Road, while those visiting Harford Road were significantly more likely to be there for dining (23% vs. 13%) or because they live there (23% vs. 12%) than Belair Road.

Q1. Why are you visiting Belair Road today?
Base = Those intercepted at Belair Road (n=341); Top mentions



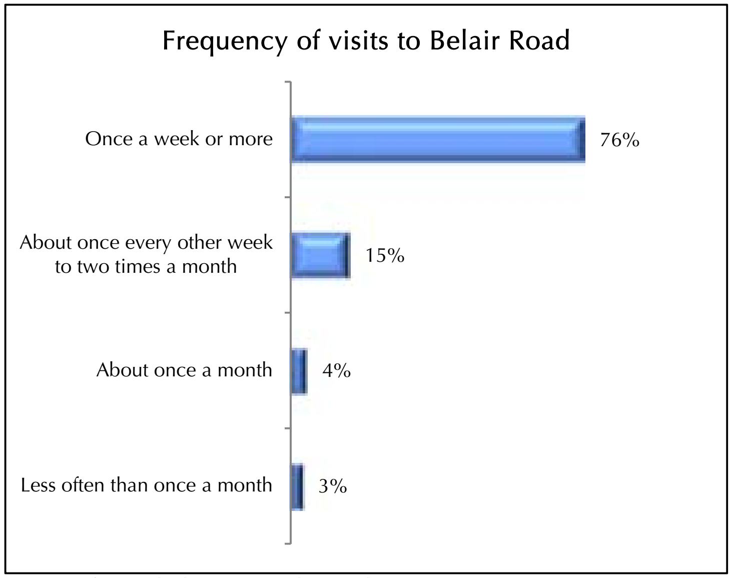
Q1. Why are you visiting this neighborhood today?
Base = Total sample (n=463); Top mentions



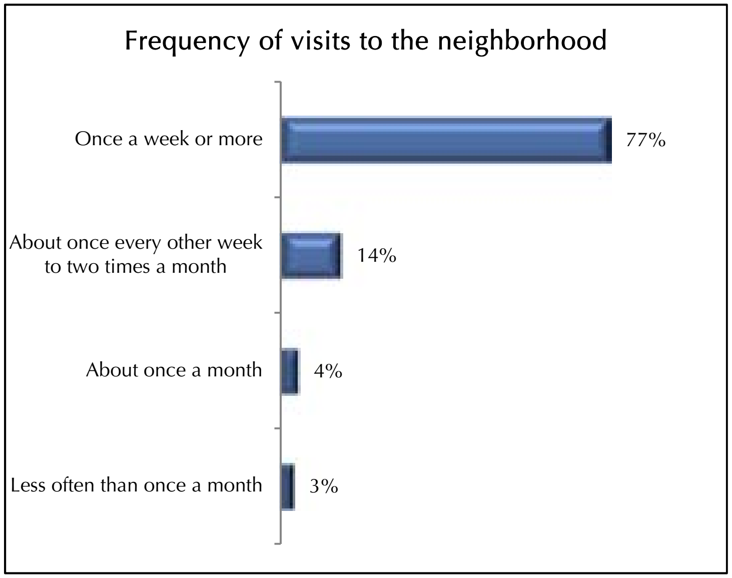
Q1. Why are you visiting Harford Road today?
Base = Those intercepted at Harford Road (n=122); Top mentions

Frequency of visits to the neighborhood

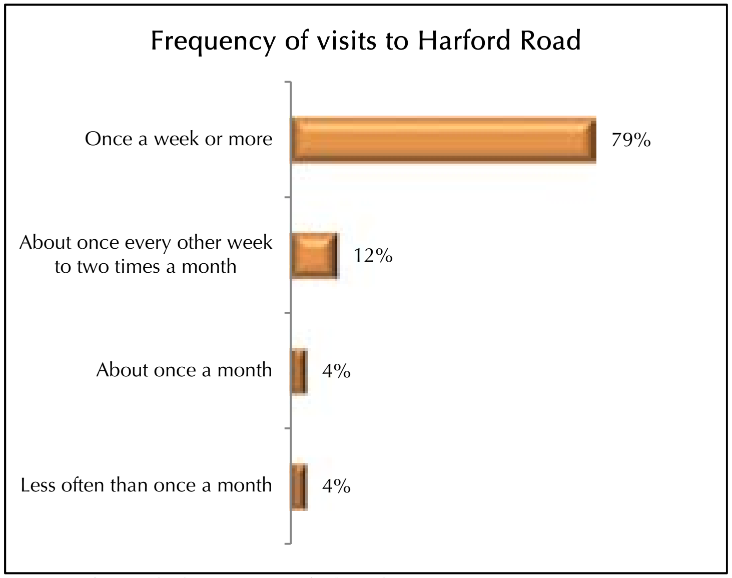
Almost eight in ten respondents said they visit the neighborhood where they were intercepted once a week or more.



Q2. How frequently do you visit Belair Road?
Base = Those intercepted at Belair Road (n=341); Top mentions



Q2. How frequently do you visit this neighborhood?
Base = Total sample (n=463); Top mentions



Q2. How frequently do you visit Harford Road?
Base = Those intercepted at Harford Road (n=122); Top mentions

Frequency of visits to the neighborhood (continued)

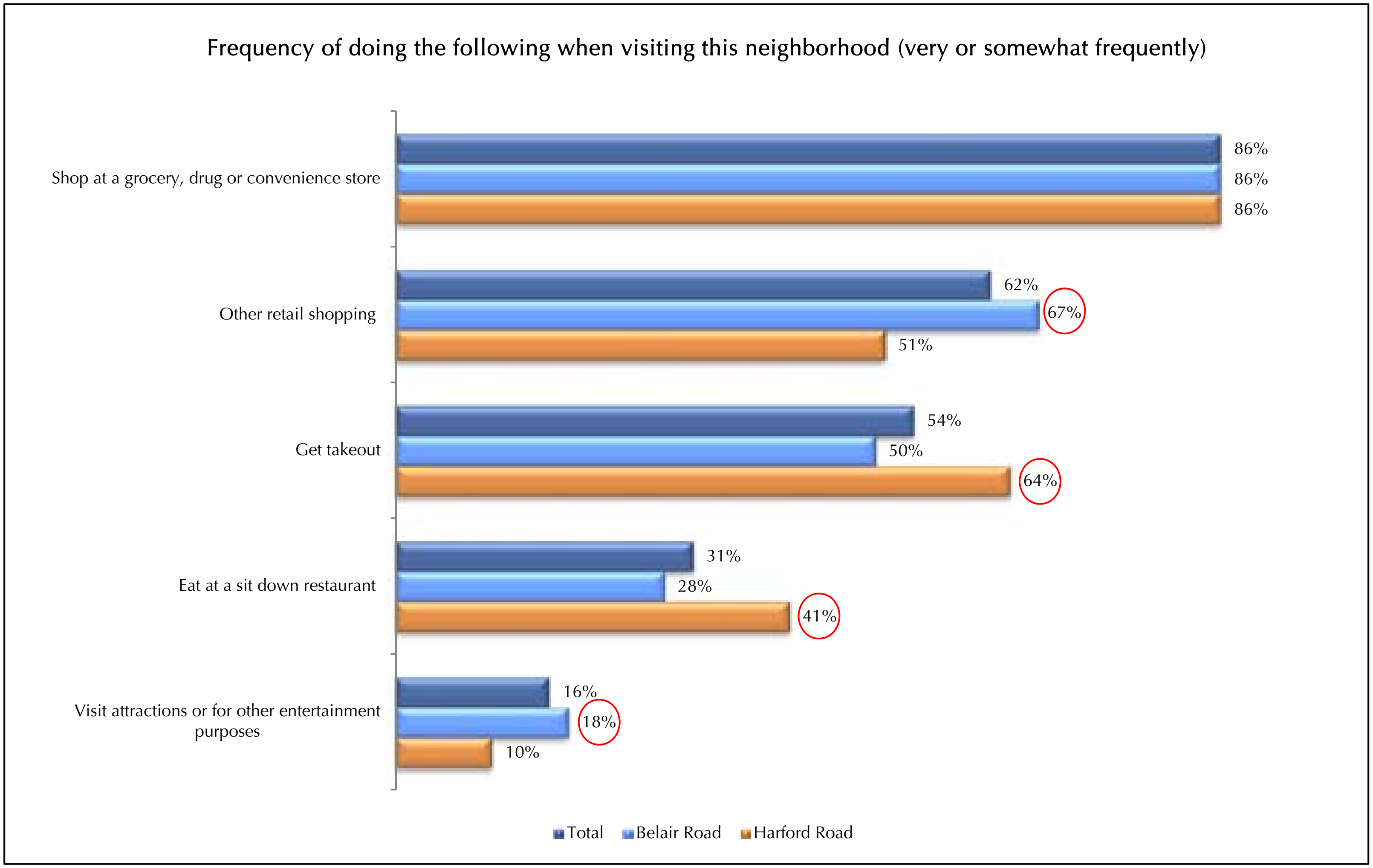
When asked how frequently respondents do the following in the neighborhood where they were intercepted: shop at a grocery store, drug store or convenience store, retail shop, eat at a sit-down restaurant, get takeout, or visit attractions for other entertainment purposes, notable differences appeared between Belair Road and Harford Road.

- Interestingly, significantly more Belair Road visitors said they somewhat or very frequently do other retail shopping (67% vs. 51%) or visit attractions for other entertainment purposes (18% vs. 10%) compared to Harford Road visitors.

- Notably, significantly more Harford Road visitors said they somewhat or very frequently get takeout (64% vs. 50%) or eat at a sit-down restaurant (41% vs. 28%) than those at Belair Road.

    - Also of note, residents of Baltimore County are far more likely to purchase takeout or eat at a sit-down restaurant while visiting Belair Road than are neighborhood residents or residents from other parts of the City.

Frequency of visits to the neighborhood (continued)

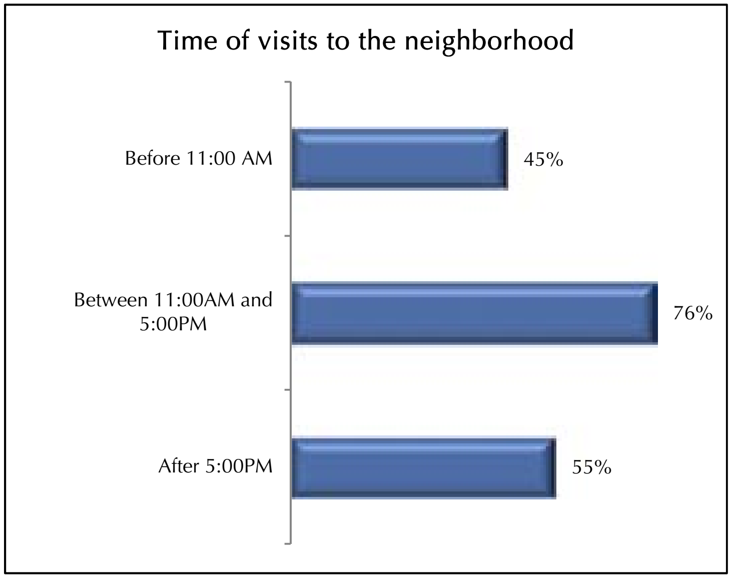


Q3. When visiting this neighborhood, would you say you do each of the following very frequently, somewhat frequently, not very frequently, or not at all?
Base = Total sample (n=463)

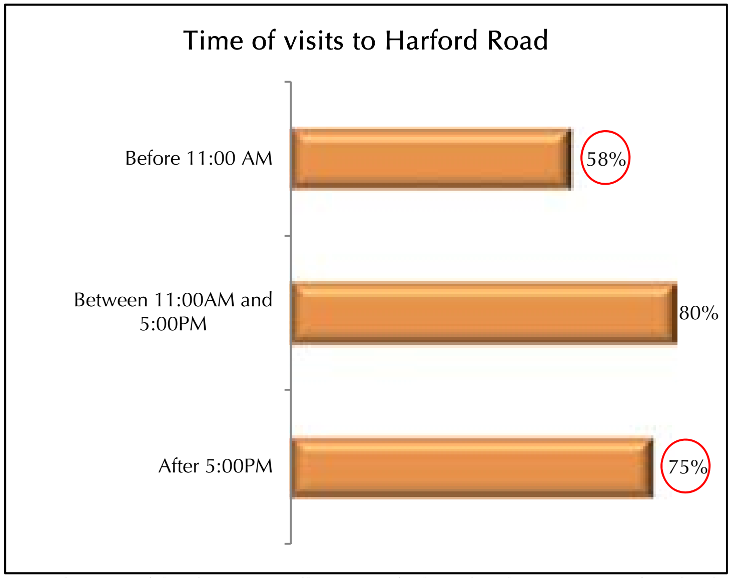
Frequency of visits to the neighborhood (continued)

While roughly three-fourths of respondents said that they visit each neighborhood between 11:00am and 5:00pm (76%), significantly more respondents said they visit Harford Road before 11:00am (58% vs. 40%) and/or after 5:00pm (75% vs. 48%) compared to Belair Road.

Q4. What time of day do you typically visit Belair Road to shop, eat out, or for other leisure or entertainment purposes? Base = Those intercepted at Belair Road (n=341); Top mentions



Q4. What time of day do you typically visit this neighborhood to shop, eat out, or for other leisure or entertainment purposes? Base = Total sample (n=463); Top mentions



Q4. What time of day do you typically visit Harford Road to shop, eat out, or for other leisure or entertainment purposes? Base = Those intercepted at Harford Road (n=122); Top mentions

Rating of neighborhood

Overall, visitors to Harford Road tended to rate the neighborhood slightly better than those visiting Belair Road (53% excellent/very good vs. 47%).

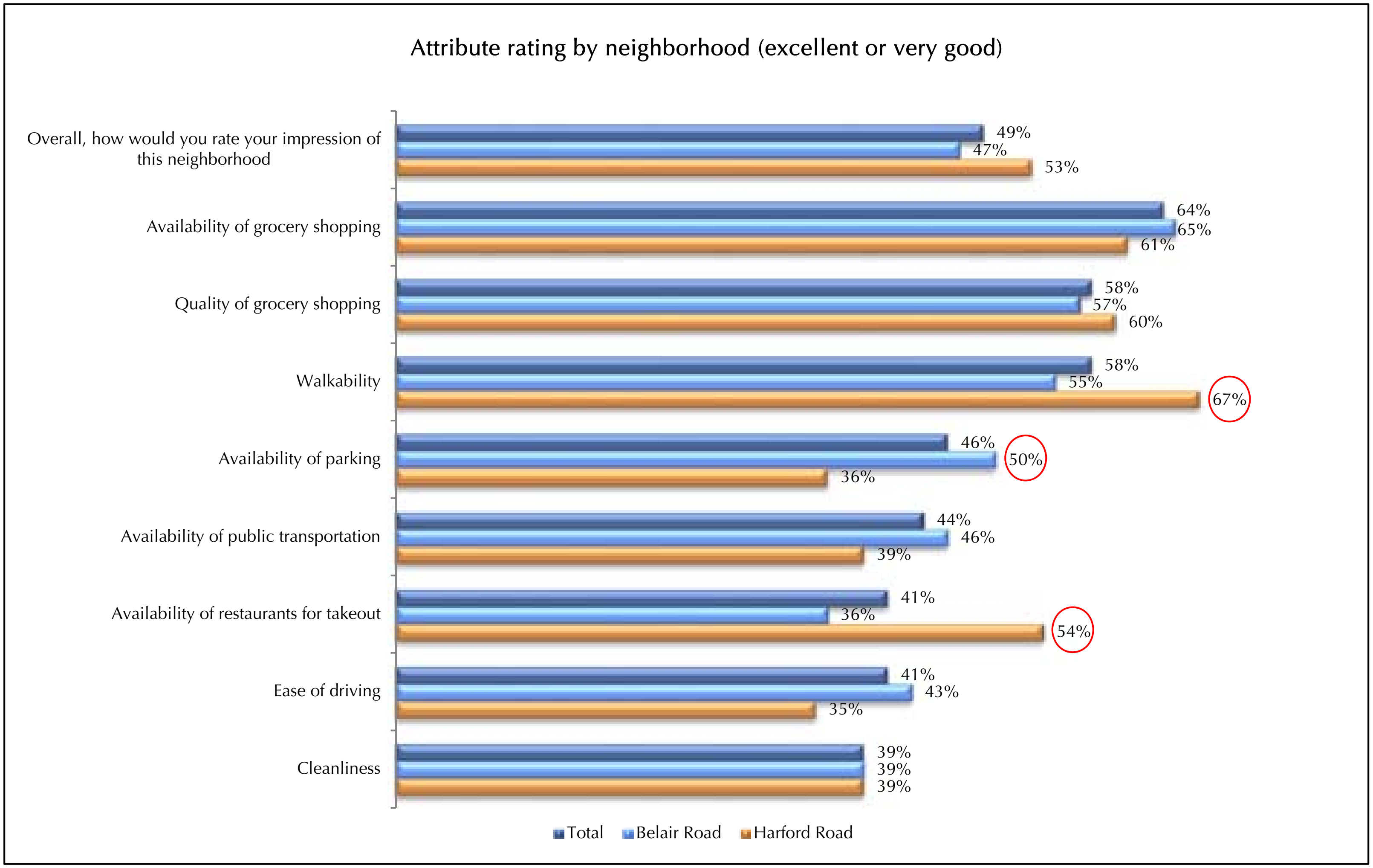
When asked to rate the neighborhood they were intercepted in on a variety of attributes, significant differences appeared between Belair Road and Harford Road.

- Belair Road was rated significantly higher than Harford Road on:
  - The availability of parking (50% excellent/very good vs. 36%),
  - Safety from accidents (31% vs. 22%),
  - Safety from crime (30% vs. 18%),
  - Quality of attractions or entertainment (13% vs. 7%),
  - The availability of parks (13% vs. 6%), and
  - The quality of parks (11% vs. 4%).
- Harford Road was rated significantly higher than Belair Road on:
  - Walkability (67% vs. 55%),
  - The availability of restaurants for takeout (54% vs. 36%),
  - Quality of restaurants for takeout (47% vs. 30%),
  - Availability of sit down restaurants (35% vs. 20%), and
  - Quality of sit down restaurants (30% vs. 20%).

Rating of neighborhood (continued)

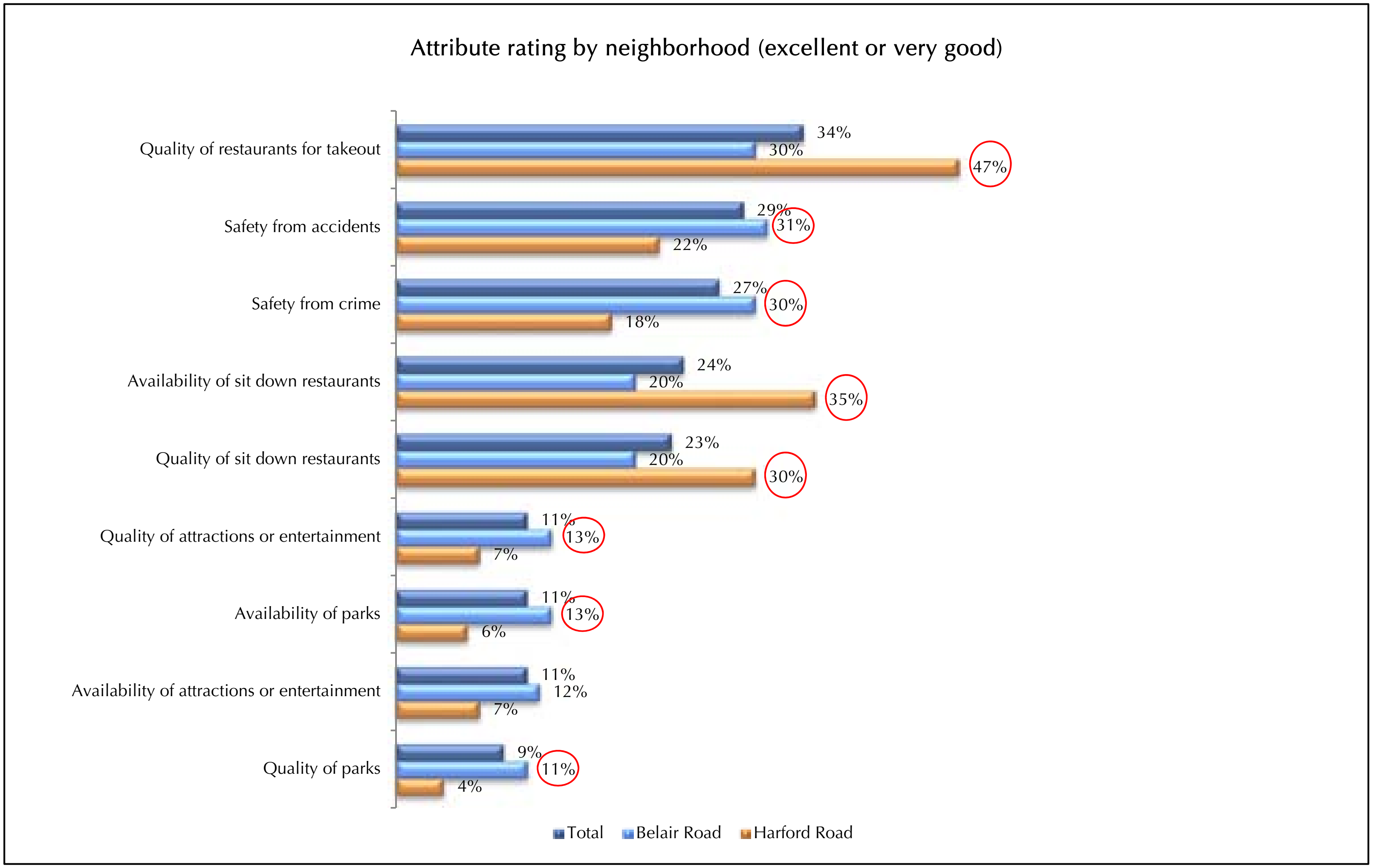
- Baltimore County residents tended to have a better impression of Belair Road than did neighborhood or City residents on the following attributes:
  - Overall impression of the neighborhood (69% vs. 36%),
  - Cleanliness (62% vs. 27%,
  - Ease of driving (58% vs. 35%),
  - Safety from accidents (54% vs. 20%),
  - Safety from crime (47% vs. 21%),
  - Quality of takeout restaurants (41% vs. 25%),
  - Availability of sit down restaurants (34% vs. 14%),
  - Quality of sit down restaurants (32% vs. 14%), and
  - Availability of attractions or entertainment (24% vs. 7%).
- Neighborhood residents were particularly likely to think poorly of the availability of takeout restaurants on Belair Road (28% vs. 42% of other City/County residents).
- Conversely, neighborhood residents tend to rate Harford Road more highly than other City or County residents on the following:
  - Availability of grocery shopping (81% vs. 59%),
  - Walkability (86% vs. 64%),
  - Overall impression of the neighborhood (79% vs. 49%),
  - Availability of takeout restaurants (71% vs. 51%), and
  - Quality of sit down restaurants (48% vs. 27%).

Rating of neighborhood (continued)



Q5. How would you rate this neighborhood on the following, using a scale of excellent, very good, good, fair, or poor?
Base = Total sample (n=463)

Rating of neighborhood (continued)



Q5. How would you rate this neighborhood on the following, using a scale of excellent, very good, good, fair, or poor?
Base = Total sample (n=463)

Key driver analysis

<u>Overview of Key Driver Analysis</u>

For each of the ratings of attributes by neighborhood a correlation analysis was utilized in an effort to provide recommendations to improve any unmet needs along Belair Road by comparing it to Harford Road.

In order to identify priorities for improving satisfaction with the offerings on Belair Road, the results of the correlation analysis and the consumers' ratings were plotted on a chart. The chart is laid out as follows:

- Unmet Needs – These are attributes that have a significant impact on satisfaction, but for which respondents give relatively low ratings. Addressing these needs should be a top priority for improving Belair Road.
- Higher Priority – These are attributes that either have a significant impact on satisfaction but receive comparatively moderate ratings, or have a moderate impact on satisfaction but receive relatively low ratings. Meeting these needs should also be among the top priorities for improving Belair Road.
- Driving Strengths – These are attributes that receive relatively higher ratings from visitors but also have a significant impact on satisfaction. Maintaining these should be a priority for improving Belair Road.
- Opportunities – These attributes receive lower ratings from visitors and are only of low impact on satisfaction. While a secondary priority for improving Belair Road, there are opportunities for improvement here.
- Lower Priority – These attributes have a moderate to low impact on satisfaction, while receiving moderate to high satisfaction ratings.

Key driver analysis (continued)

Attribute relationship with rating of Belair Road

Notably, there were no "unmet needs" identified for Belair Road. One attribute fell into the category of "higher priority" meaning respondents gave low ratings to this attribute, which has a moderate impact on satisfaction. Meeting the need for **quality of attractions or entertainment** can improve satisfaction with Belair Road.

There were three "opportunities" identified for Belair Road that, while it does not have a significant impact on satisfaction, there is still room for improved satisfaction. These attributes are: **availability of parks**, **availability of attractions or entertainment**, and **quality of parks**.

Attribute relationship with rating of Harford Road

Similar to Belair Road, there were no "unmet needs" identified for Harford Road. One attribute fell into the category of "higher priority" meaning respondents gave low ratings to this attribute, which has a moderate impact on satisfaction. Meeting the need for **quality of attractions or entertainment** can improve satisfaction with Harford Road.

There were three "opportunities" identified for Harford Road that, while it does not have a significant impact on satisfaction, there is still room for improved satisfaction. These attributes are: **availability of attractions or entertainment**, **availability of parks**, and **quality of parks**.

Key driver analysis (continued)

ATTRIBUTE RELATIONSHIP WITH RATING OF BELAIR ROAD

Impact on Rating of Overall Satisfaction	Lower Ratings	Moderate Ratings	Higher Ratings
High		❖ Cleanliness ❖ Safety from crime	
Moderate	❖ Quality of attractions or entertainment	❖ Availability of sit down restaurants ❖ Quality of sit down restaurants ❖ Quality of restaurants for takeout ❖ Safety from accidents ❖ Ease of driving	❖ Quality of grocery shopping
Low	❖ Availability of parks ❖ Availability of attractions or entertainment ❖ Quality of parks	❖ Availability of public transportation ❖ Availability of restaurants for takeout	❖ Availability of grocery shopping ❖ Walkability ❖ Availability of parking

Performance

Key driver analysis (continued)

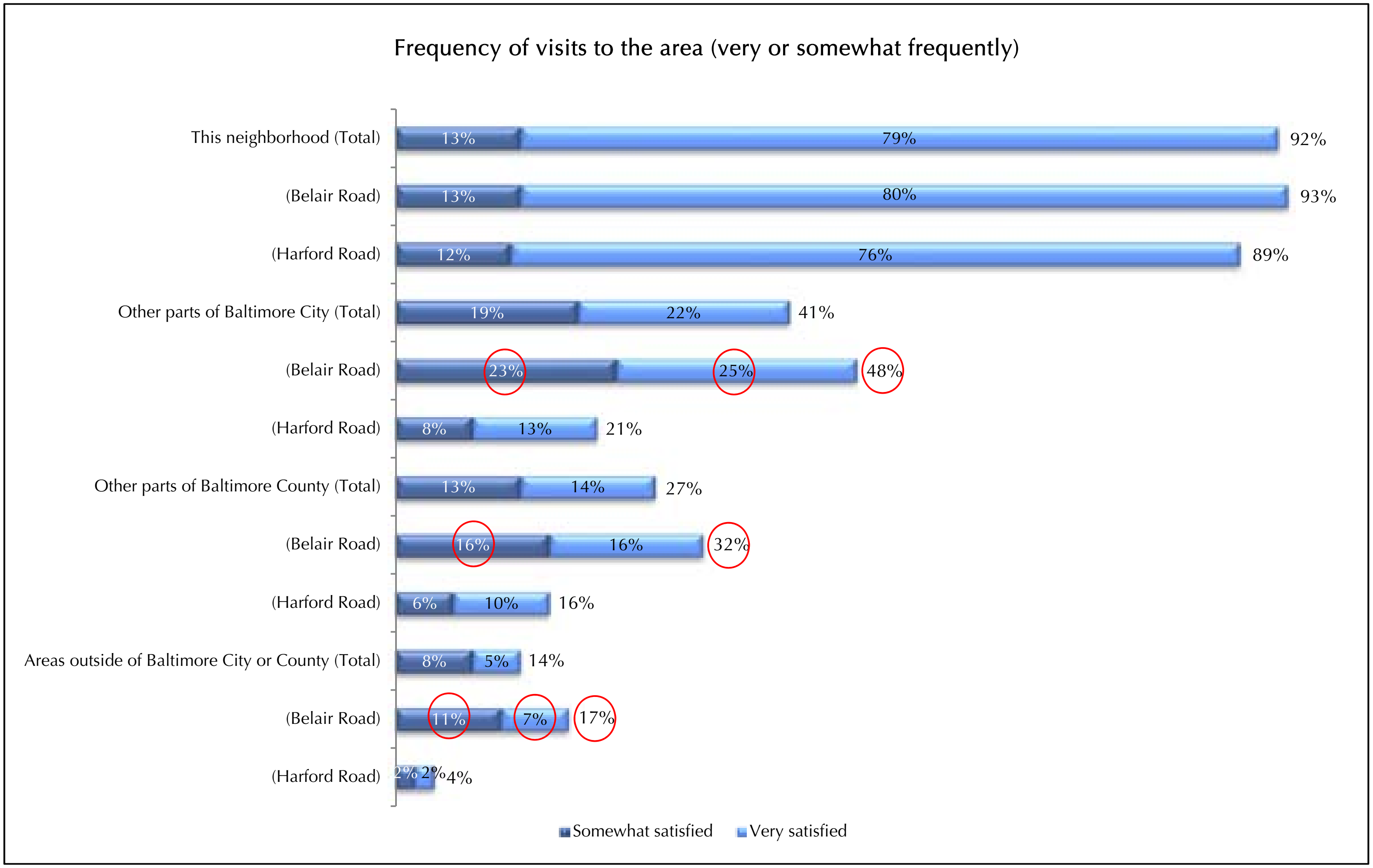
ATTRIBUTE RELATIONSHIP WITH RATING OF HARFORD ROAD

Impact on Rating of Overall Satisfaction	Lower Ratings	Moderate Ratings	Higher Ratings
High		❖ Cleanliness ❖ Safety from crime	
Moderate	❖ Quality of attractions or entertainment	❖ Quality of restaurants for takeout ❖ Ease of driving ❖ Availability of sit down restaurants ❖ Quality of sit down restaurants ❖ Safety from accidents	❖ Quality of grocery shopping
Low	❖ Availability of attractions or entertainment ❖ Availability of parks ❖ Quality of parks	❖ Availability of public transportation ❖ Availability of parking	❖ Walkability ❖ Availability of grocery shopping ❖ Availability of restaurants for takeout

Performance

Frequency of visits to the area

When asked what areas they visit and with what frequency, Belair Road respondents reported visiting other parts of Baltimore City, other parts of Baltimore County, and areas outside of Baltimore City or County significantly more frequently than Harford Road respondents (48% vs. 21%, 32% vs. 16%, and 17% vs. 4% respectively).

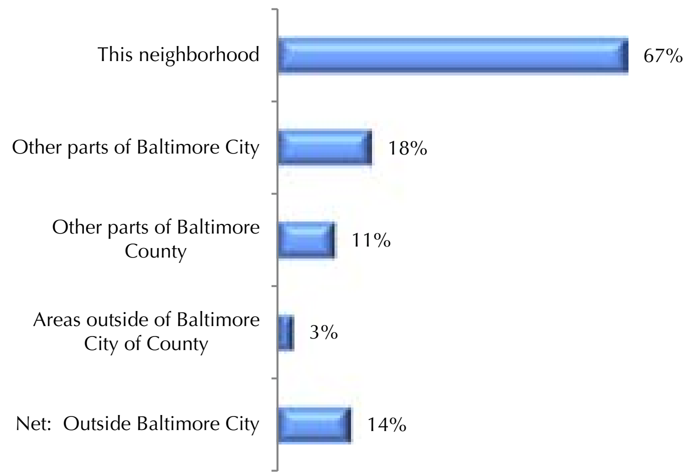


Q6. Would you say you visit each of the following areas very frequently, somewhat frequently, not very frequently, or not at all to shop, eat out, or for other leisure purposes?
Base = Total sample (n=463)
Multiple Responses Accepted

Frequency of visits to the area (continued)

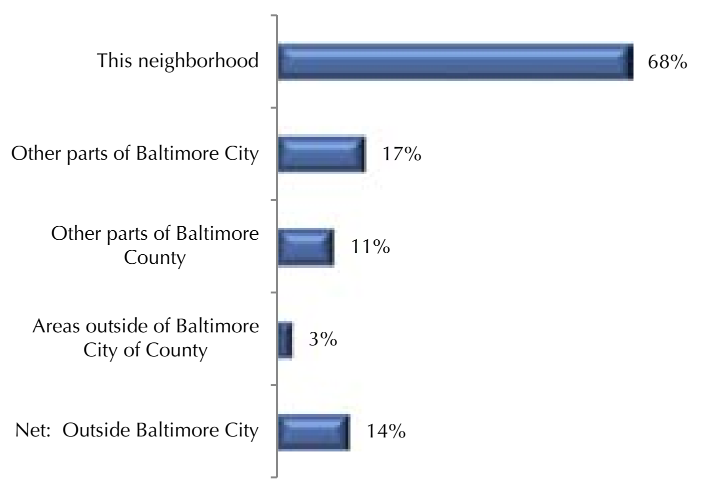
When determining which area respondents most frequently visit, "this neighborhood" (or the area respondents were intercepted in) was most often the place they most frequently visit (70% Harford Road and 67% Belair Road).

Area visited most frequently (Belair Road)



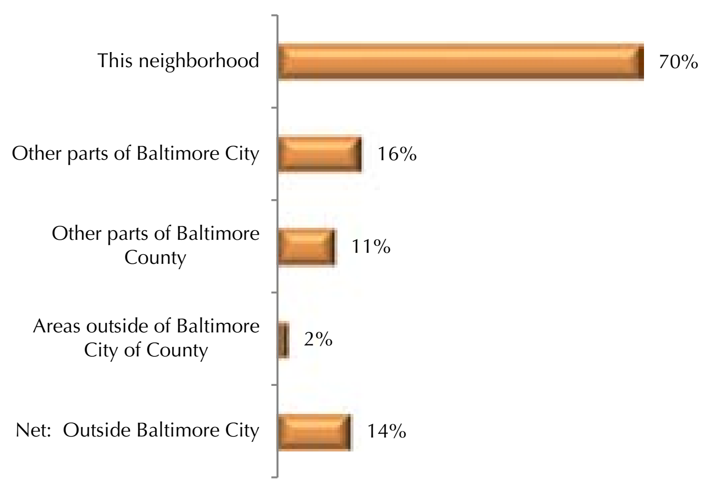
Q6/Q7. Which do you visit most frequently?
Base = Those intercepted at Belair Road (n=341); Top mentions

Area visited most frequently (Total)



Q6/Q7. Which do you visit most frequently? Base = Total sample (n=463); Top mentions

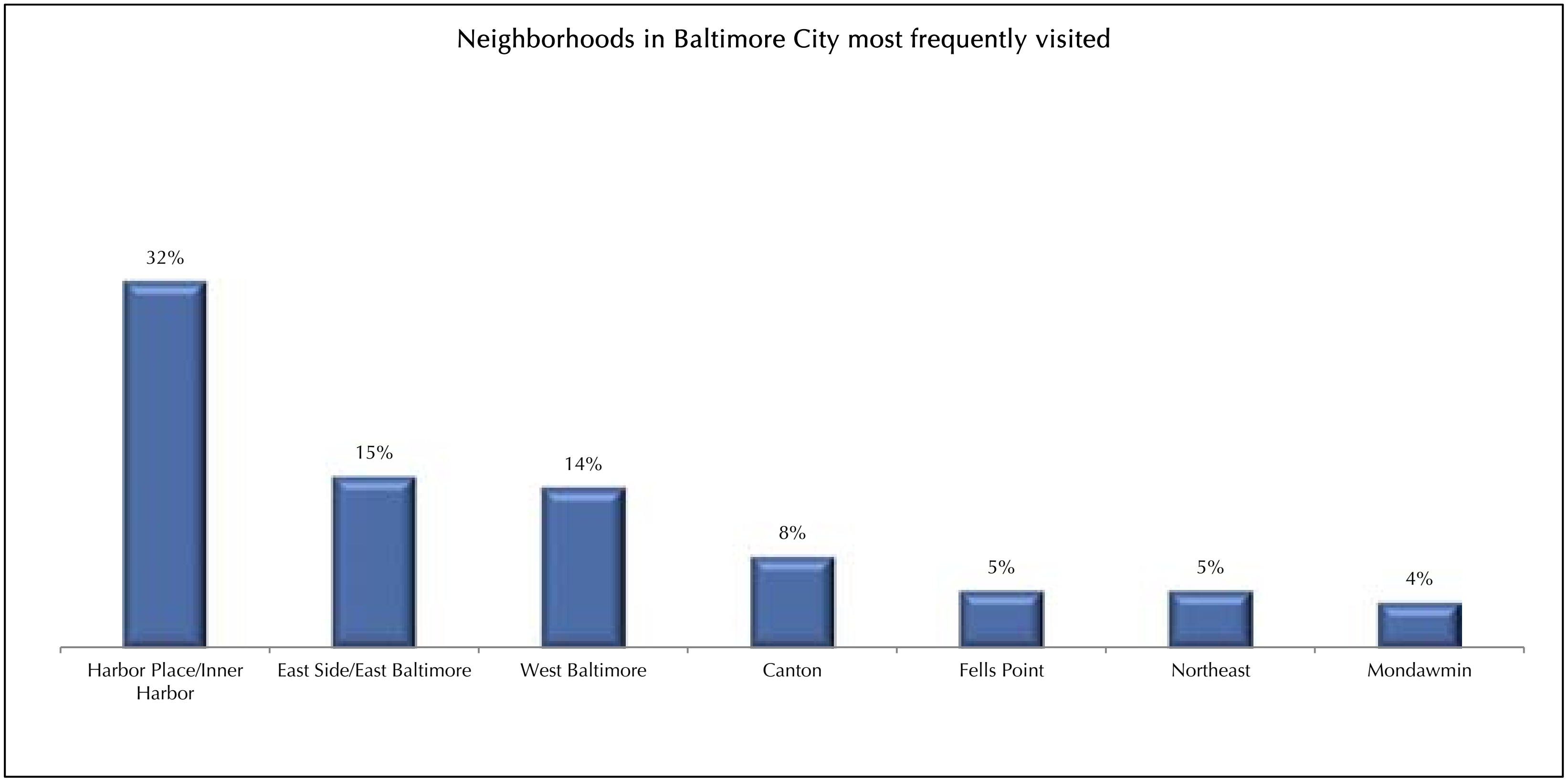
Area visited most frequently (Harford Road)



Q6/Q7. Which do you visit most frequently?
Base = Those intercepted at Harford Road (n=122); Top mentions

Visit Baltimore City most frequently

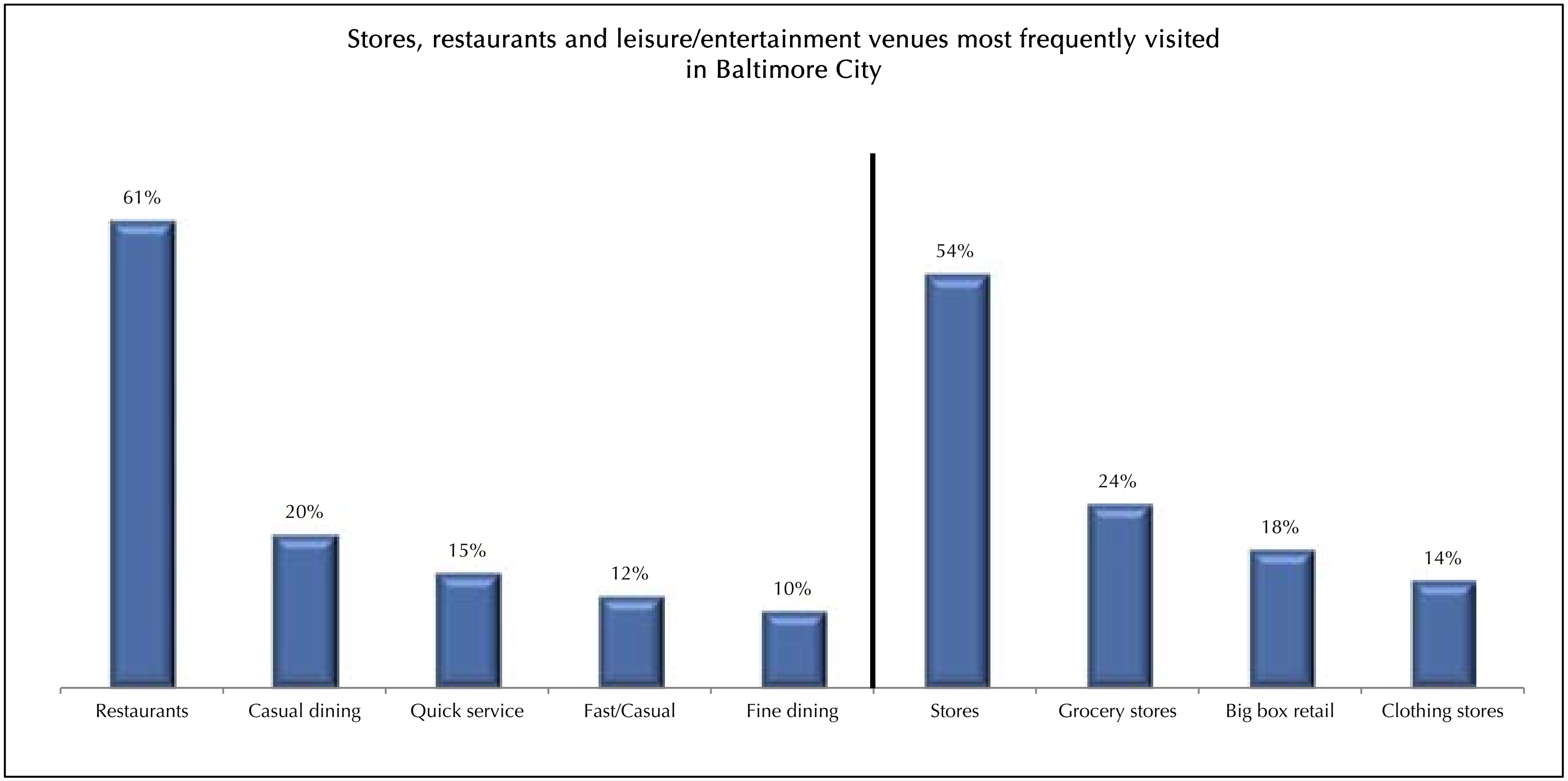
One in six (17%) of all respondents said they most frequently visit Baltimore City for shopping, eating out, or for other leisure or entertainment purposes. Of these respondents, nearly one-third (32%) said they frequently visit Harbor place or the Inner Harbor. About one in seven said they frequently visit the East side or East Baltimore (15%) and/or West Baltimore (14%). Less than one in ten mentioned another place in Baltimore City as a place they frequently visit.



Q8A. What neighborhoods in Baltimore City do you most frequently go to for shopping, eating out, or for other leisure or entertainment purposes?
Base = Those who visit other parts of Baltimore City most frequently and answering (n=80)
Multiple Responses Accepted, Top Mentions

Visit Baltimore City most frequently (continued)

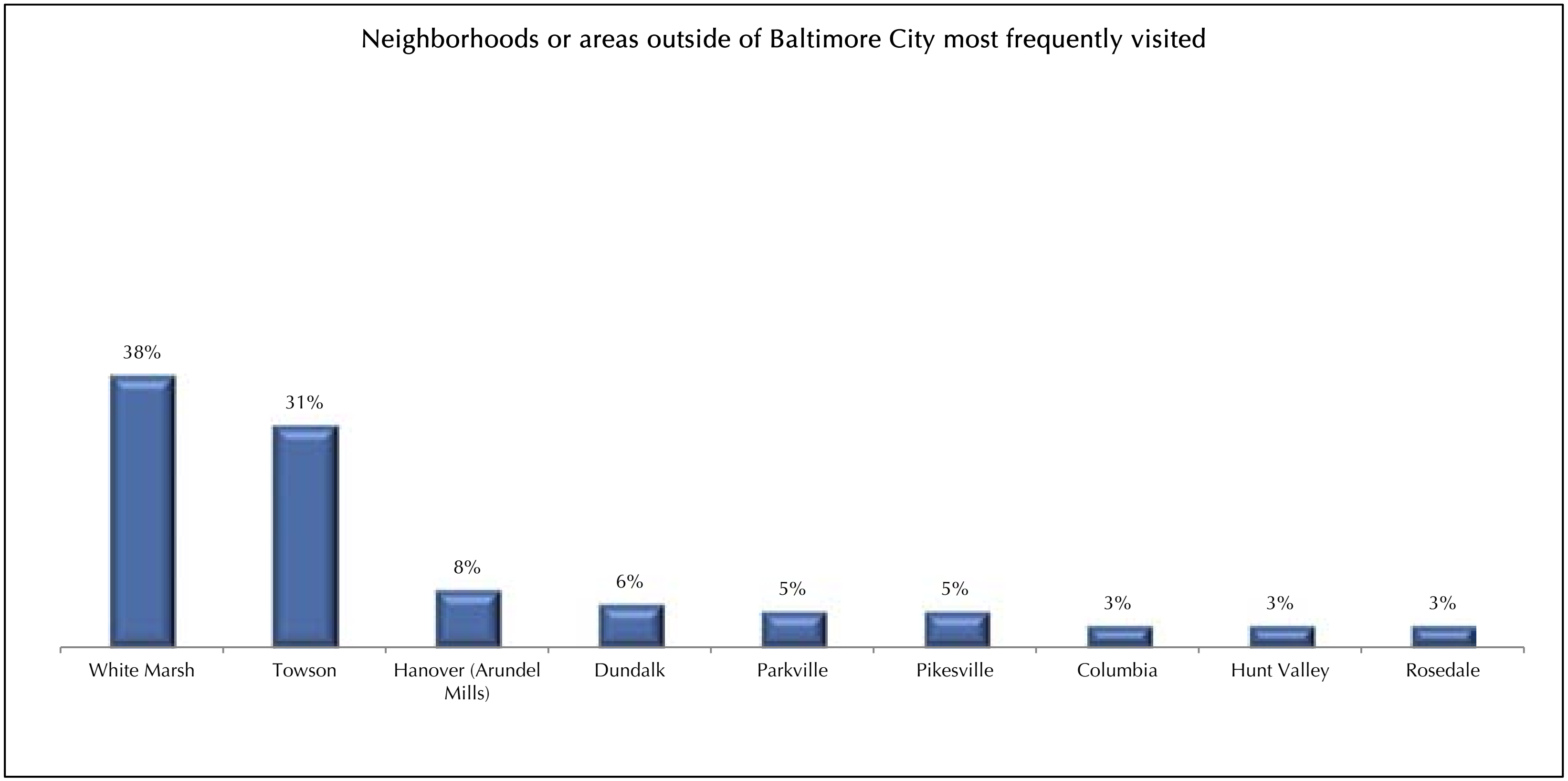
These respondents were next asked what specific stores, restaurants, leisure and entertainment venues they most frequently go to in Baltimore City. About six in ten (61%) said they frequently visit restaurants (these most often being causal dining restaurants 20%). More than one-half (54%) said they frequently visit stores (these most often being grocery stores 24% and/or big box retail stores (18%).



Q9A. What specific stores, restaurants, leisure and entertainment venues do you most frequently go to in Baltimore City?
Base = Those who visit other parts of Baltimore City most frequently and answering (n=80)
Multiple Responses Accepted, Top Mentions

Visit neighborhoods or areas outside of Baltimore City most frequently

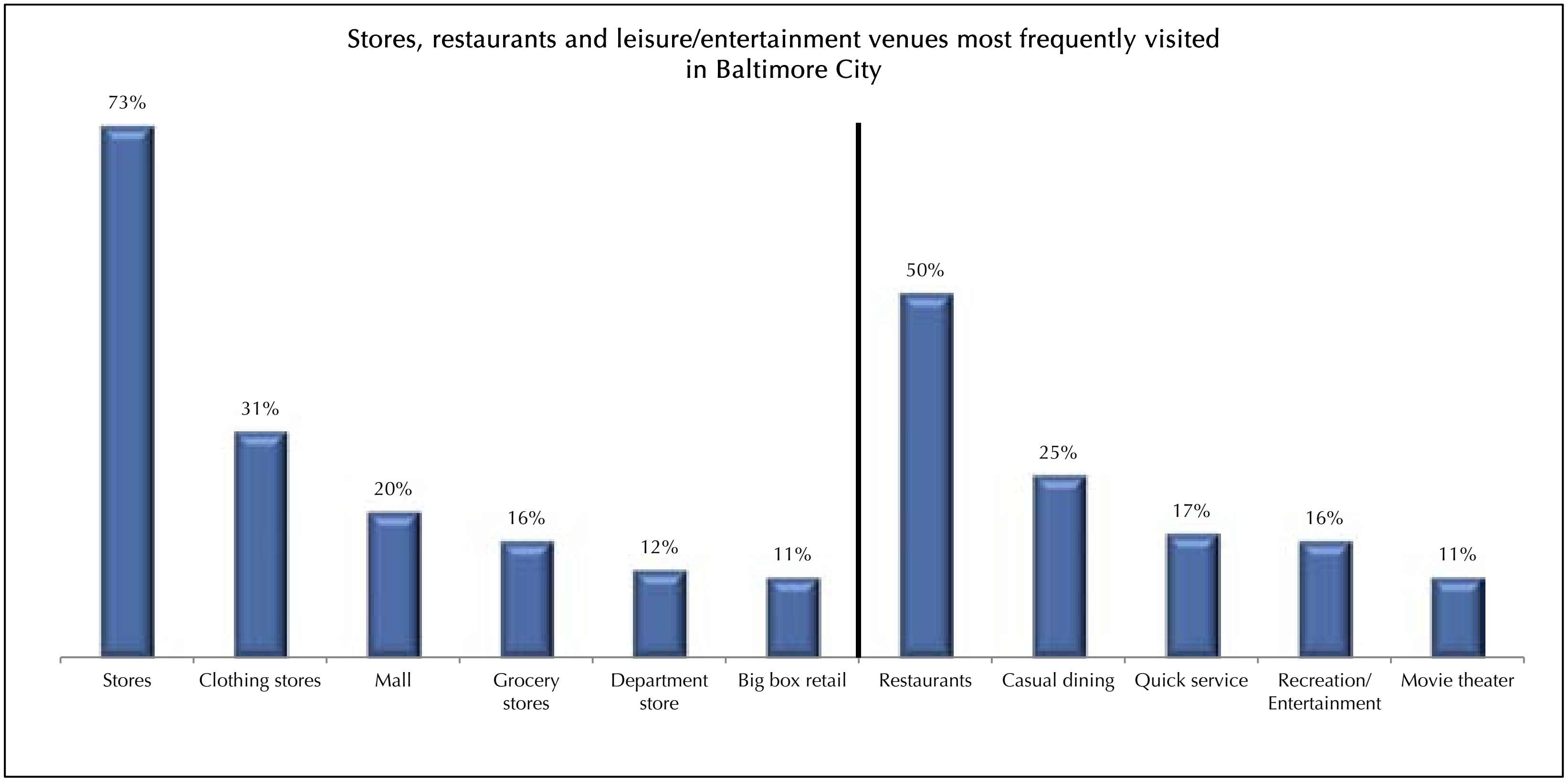
One in seven (14%) of all respondents said they most frequently visit areas outside Baltimore City for shopping, eating out, or for other leisure or entertainment purposes. Of these respondents, almost four in ten (38%) said they frequently visit White Marsh. About three in ten (31%) said they visit Towson. Less than one in ten mentioned another place outside of Baltimore City as a place they frequently visit.



Q8B. What towns (in other parts of Baltimore County/areas outside of Baltimore City or County) do you most frequently go to for shopping, eating out, or for other leisure or entertainment purposes?
Base = Those who visit other parts of Baltimore County/areas outside of Baltimore City or County most frequently and answering (n=64)
Multiple Responses Accepted, Top Mentions

Visit neighborhoods or areas outside of Baltimore City most frequently (continued)

These respondents where next asked what specific stores, restaurants, leisure and entertainment venues they most frequently go to in the neighborhoods or areas outside of Baltimore City. About seven in ten (73%) said they frequently visit stores (these most often being clothing stores 31% and/or malls 20%). One-half (50%) said they frequently visit restaurants (these most often being casual dining restaurants 25%).



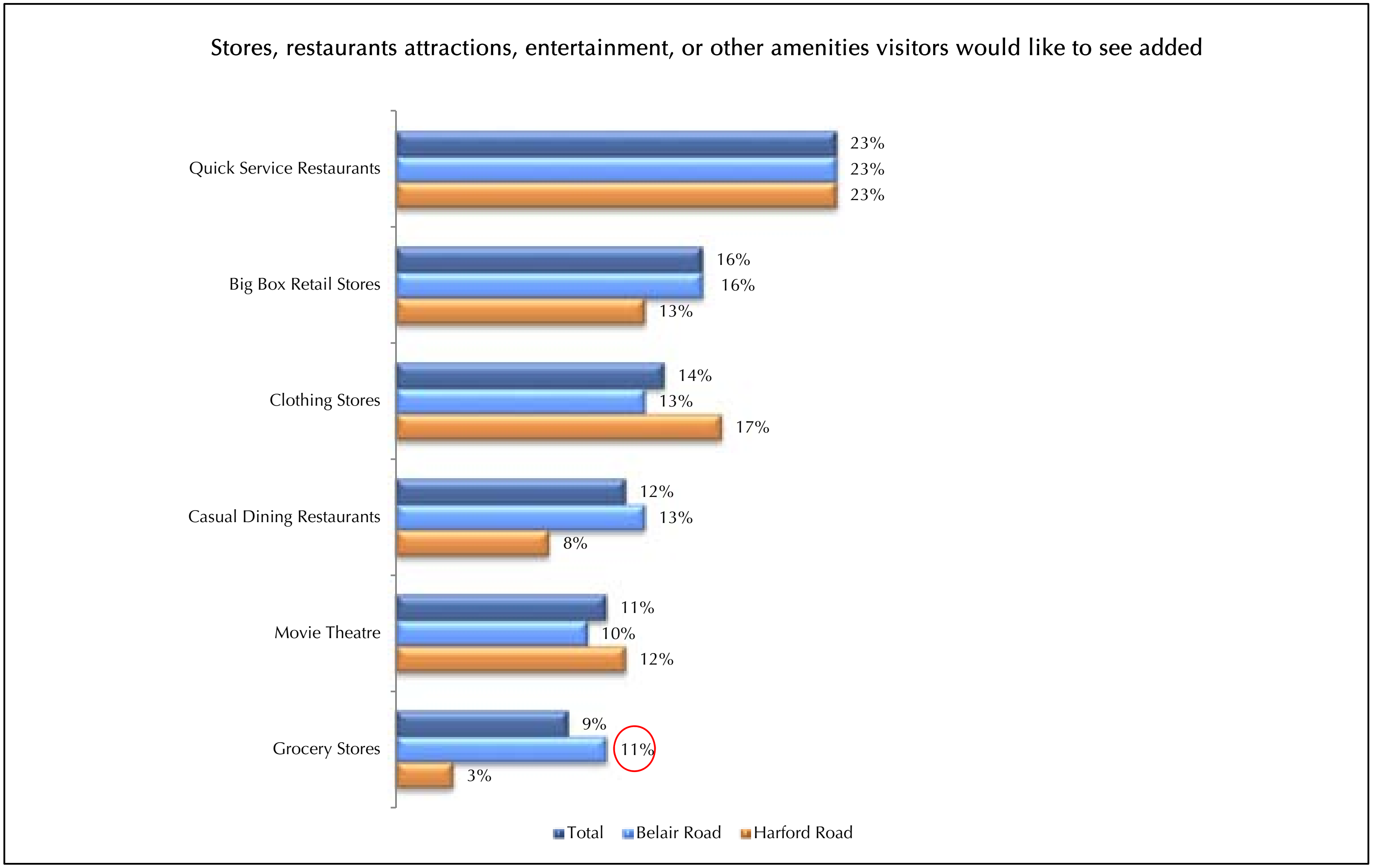
Q9B. What specific stores, restaurants, leisure and entertainment venues do you most frequently go to in those towns?
Base = Those who visit other parts of Baltimore County/areas outside of Baltimore City or County most frequently and answering (n=64)
Multiple Responses Accepted, Top Mentions

New stores, restaurants or other amenities for the neighborhood

When asked what sort of stores, restaurants, attractions, entertainment, or other amenities they would like to see added to this neighborhood that would make them come to the neighborhood more often, the majority mentioned quick service restaurants (23%) and/or big box retails stores (16%).

- Notably, significantly more respondents from Belair Road mentioned grocery stores than from Harford Road (11% vs. 3%).
- Residents from outside the neighborhood were more interested than neighborhood residents in adding clothing stores (17% vs. 8%) and/or big box retail stores (19% vs. 12%) to Belair Road.
- Neighborhood residents are most interested in adding restaurants (61%), particularly quick service restaurants (26%).

New stores, restaurants or other amenities for the neighborhood (continued)



Q10A. What sort of stores, restaurants, attractions, entertainment, or other amenities would you like to see added to this neighborhood that would make you come here more often?
Base = Total sample (n=463)

New stores, restaurants or other amenities for the neighborhood (continued)

Of the stores, restaurants, attractions, entertainment, or other amenities respondents would like to see added, quick service restaurants would be the most frequently visited, with about two in ten of all visitors saying they will visit them more than twice a month (22%).

- Big box retail stores would be the second most frequently visited, particularly on Belair Road.

Note that only those who stated, on an unaided basis, that they would like to see a business come to the neighborhood were asked how frequently they would visit that business. It is entirely likely that at least some of those who did not mention a business they would nonetheless visit these businesses.

How frequently area visitors would visit desired businesses 2+ times per month
Among all visitors
Note: Those who did not state, on an unaided basis, interest in a business were not asked the frequency with which they might visit.

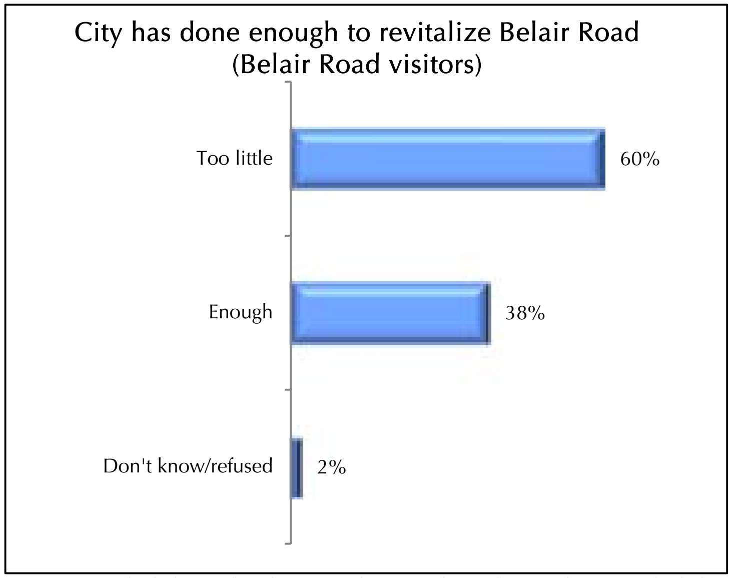
Total	Belair Road	Harford Road
Quick service restaurants (22%)	Quick service restaurants (22%)	Quick service restaurants (20%)
Big box retail stores (13%)	Big box retail stores (15%)	Clothing stores (11%)
Clothing stores (10%)	Casual dining restaurants (11%)	Big box retail stores (10%)
Causal dining restaurants (10%)	Clothing stores((9%)	Movie theater (10%)
Movie theater (9%)	Grocery stores (9%)	Causal dining restaurants (7%)
Grocery stores (8%)	Movie theater (8%)	Grocery stores (3%)

Q10B. Of those business just listed, how frequently would you visit them?
Base = Total sample (n=463)

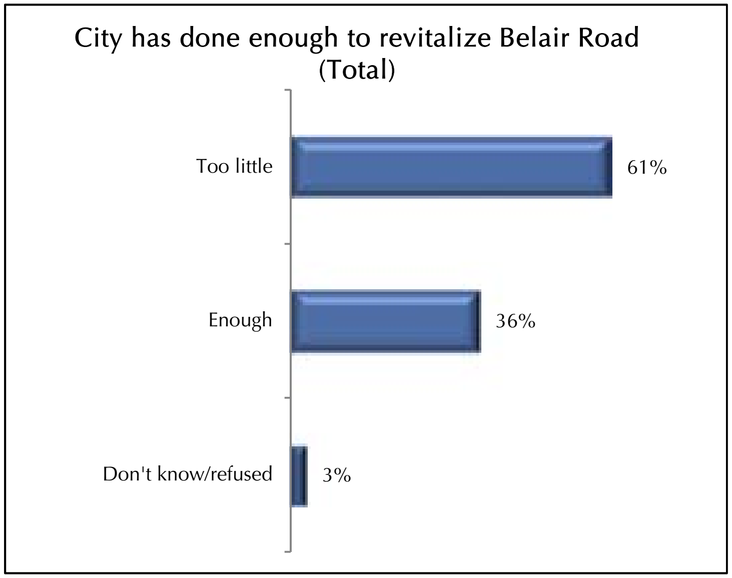
Revitalization of Belair Road

Roughly six in ten visitors said that Baltimore City has done too little to revitalize Belair Road.

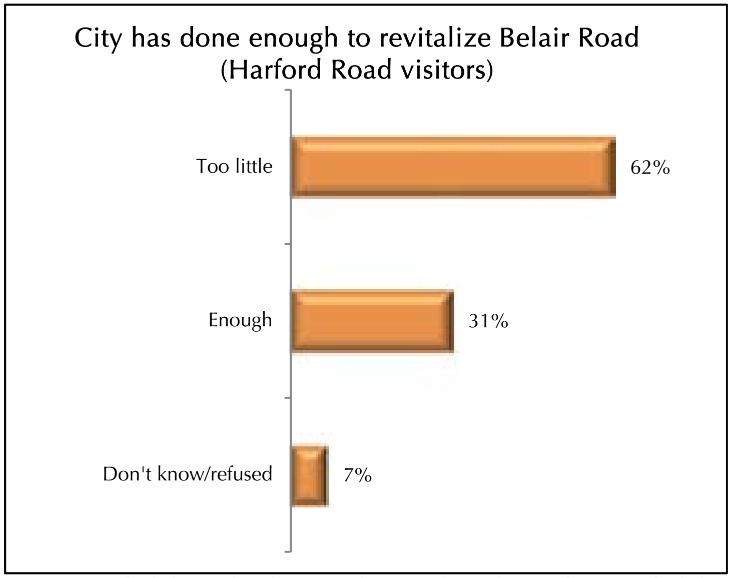
- Those who live in the neighborhood or other parts of the City are far more likely than those from outside to say they felt the city has done too little (68% vs. 50%).



Q11. Do you think the city has done enough to revitalize Belair Road? Do you think the city has done…? Base = Those intercepted at Belair Road (n=341)



Q11. Do you think the city has done enough to revitalize Belair Road? Do you think the city has done…? Base = Total sample (n=463)



Q11. Do you think the city has done enough to revitalize Belair Road? Do you think the city has done…? Base = Those intercepted at Harford Road (n=122)

Demographics

As highlighted on the next page, there appears to be many significant differences between those intercepted at Belair Road and those intercepted at Harford Road.

- Significantly more Belair Road respondents than Harford Road respondents:
    - Primarily use a car they drive for transportation (48% vs. 32%) or a car driven by someone else (10% vs. 3%),
    - Are retired (14% vs. 7%),
    - Are Black/African-American (78% vs. 36%), and
    - Are from either the Belair Road neighborhood (45% vs. 18%) or from Baltimore County (31% vs. 9%).
- Significantly more Harford Road respondents than Belair Road respondents:
    - Primarily use a car they do not drive (67% vs. 51%) or public transportation (34% vs. 20%) as their primary mode of transportation,
    - Are between the ages of 25 and 34 (20% vs. 12%),
    - Are White (55% vs. 20%) or Hispanic or Latino (9% vs. 2%), and
    - Are from other parts of Baltimore City (71% vs. 23%).
- Other notable differences in demographic responses are:
    - Those who said they make less than $30,000 of income were significantly more likely to use public transportation than those who said they make more than $30,000 to less than $50,000 (30% vs. 17%).
    - Those who have children are significantly more likely to say they primarily use a car they drive for transportation than those who do not have children (50% vs. 38%).
    - Those who have children are significantly more likely to say they are employed full-time than those who do not have children (53% vs. 36%).

Demographics (continued)

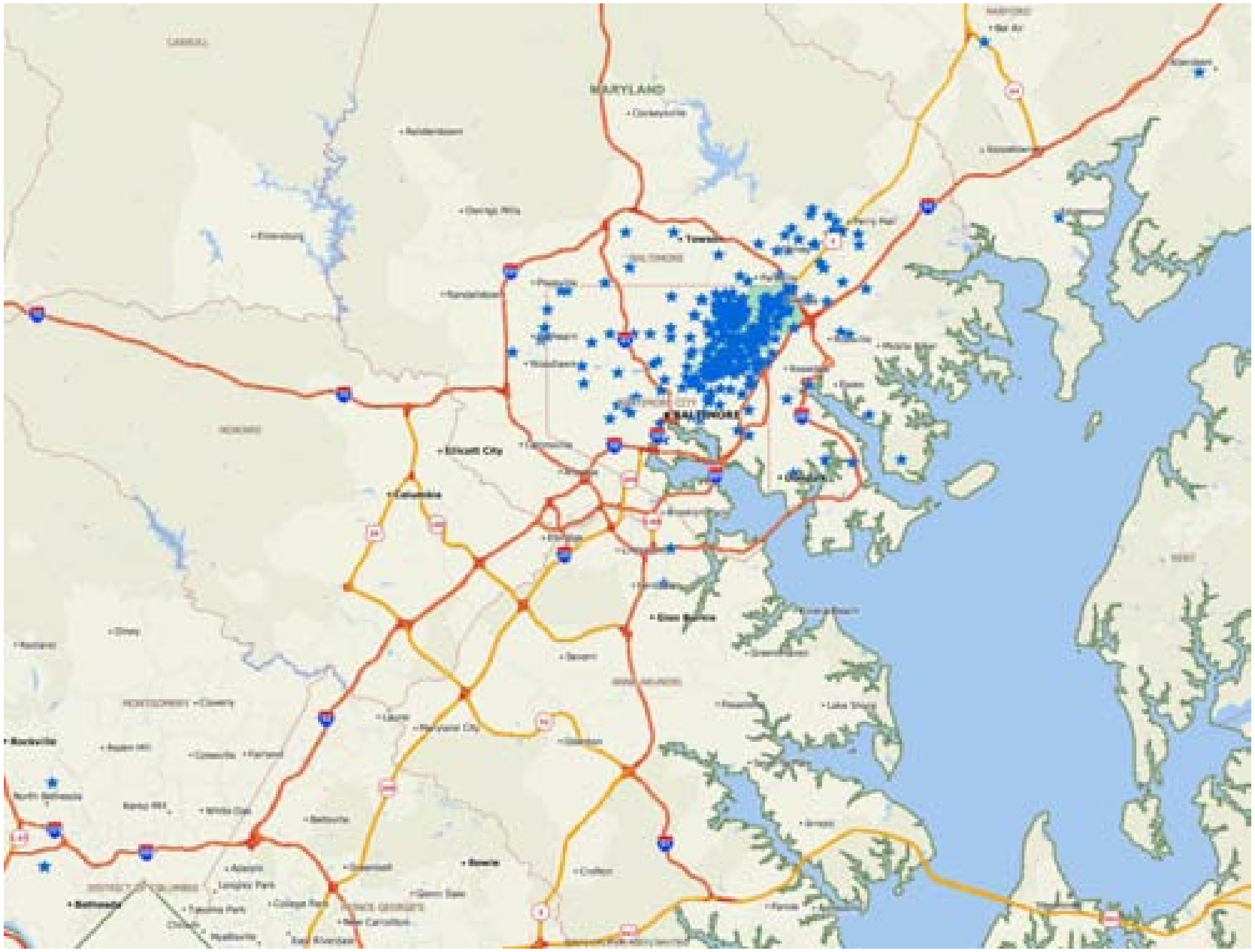
Demographics	Total	Belair Rd	Harford Rd
Primary mode of transportation*	(n=463)	(n=341)	(n=122)
A car you drive	44%	48%	32%
Not a car you drive	55	51	67
Public Transportation	24	20	34
Walk	22	20	27
A car driven by someone else	8	10	3
Bicycle	1	<1	2
Taxi	<1	1	-
Age	(n=463)	(n=341)	(n=122)
18-24	12%	11%	14%
25-34	14	12	20
35-44	21	22	18
45-54	31	32	30
55 or more	22	23	17
Employment status*[1]	(n=461)	(n=339)	(n=122)
Employed full-time	43%	44%	40%
Employed part-time	15	15	16
Retired	12	14	7
Unemployed and looking for a job	12	12	11
Self-employed	8	7	11
A student	4	4	5
How many individuals live in household[1]	(n=462)	(n=340)	(n=122)
Mean adults	2	2	2
Mean children	1	1	1
Mean total	3	3	3

Demographics	Total	Belair Rd	Harford Rd
Racial/Ethnic Background	(n=463)	(n=341)	(n=122)
Black or African-American	67%	78%	36%
White	29	20	55
Hispanic or Latino	4	2	9
Asian or Pacific Islander	1	1	1
American Indian or Alaska Native	<1	<1	-
Some other background	<1	1	-
Income[1]	(n=427)	(n=307)	(n=120)
Less than $30,000	45%	44%	48%
$30,000 to less than $50,000	38	39	37
$50,000 or more	17	17	16
Gender	(n=463)	(n=341)	(n=122)
Male	54%	56%	48%
Female	46	44	52
Residence[1]	(n=454)	(n=337)	(n=117)
Belair Road neighborhood	36%	43%	18%
Other Baltimore City	36	23	71
Baltimore County	26	31	9
Outside areas	2	2	2

D1. What is your primary mode of transportation?
D2. Please indicate into which category your age falls.
D3. Are you primarily…?
D6. Including yourself, how many adults live in your household? How many children less than 18 years of age?
D7. What is your racial background?
D8. Which category below includes your total annual household income before taxes for the year 2012?
D9. Gender
D4. What is your home street address or what is the nearest intersection to your home?
D5. What is your home zip code?
Top Mentions*
[1]Base= Those answering

Demographics (continued)

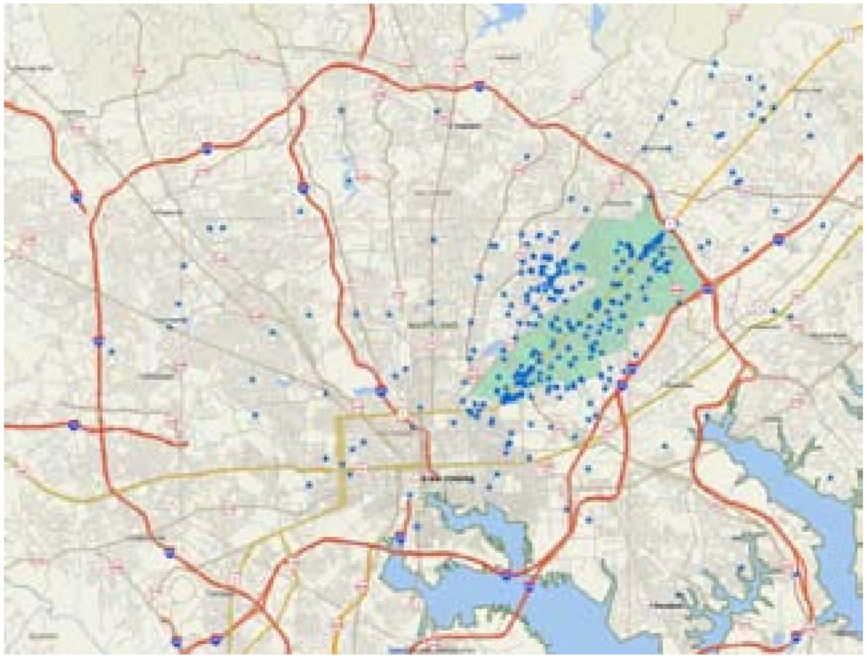
Area of Residence
(region)



D4. What is your home street address or what is the nearest intersection to your home?
D5. What is your home zip code?
[1]Base= Those answering (n=454)

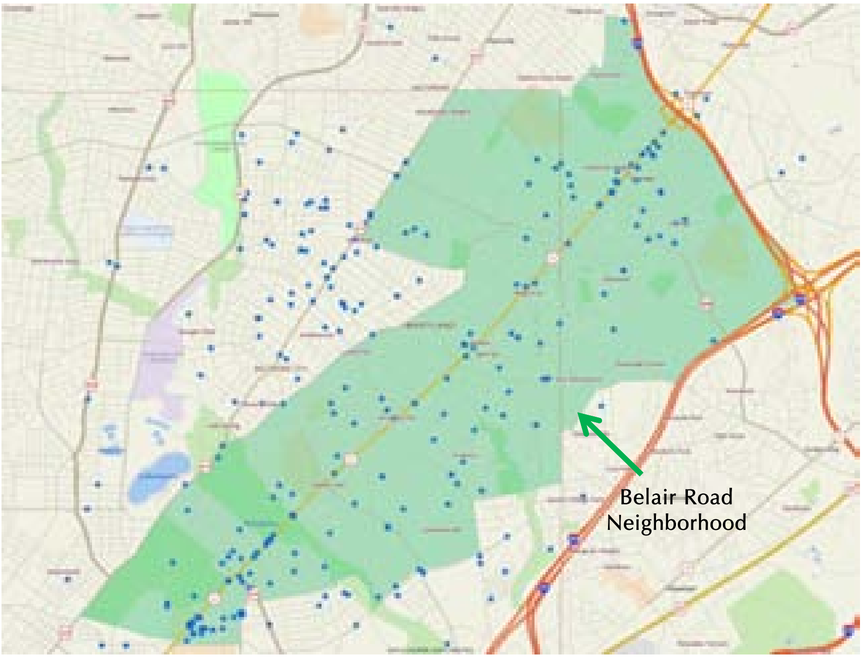
Demographics (continued)

Area of Residence
(Baltimore)



D4. What is your home street address or what is the nearest intersection to your home?
D5. What is your home zip code?
[1]Base= Those answering (n=454)

Area of Residence
(local)



D4. What is your home street address or what is the nearest intersection to your home?
D5. What is your home zip code?
[1]Base= Those answering (n=454)

Appendix

Standard error

Because in research the entire population is typically not interviewed, but rather a sample of that population is surveyed, the data are subject to sampling error. A sample size of 463 will yield data with a maximum fluctuation of ±4.6 percentage points at the 95% confidence level. However, the actual standard error may be smaller, depending on the data being examined. Standard errors are shown below for various study percentages and by occupation, at the 95% confidence level:

If the study percentage is around:	50%	40% or 60%	30% or 70%	20% or 80%	10% or 90%	1% or 99%
Then, the standard error in percentage points is:						
Total Sample (n=463)	±4.6	±4.5	±4.2	±3.6	±2.7	±0.9

For example, if a question yielded a percentage of 20% among the Total Sample, then we can be sure 95 out of 100 times that the true percentage would lie between 16.4% and 23.6% (20% ±3.6 percentage points).

April 2013
Job No. 13-469

BELAIR ROAD SURVEY

Hi, I'm __[NAME]__ conducting a short survey about shopping, dining, and other activities in this neighborhood. The survey will just take a few minutes.

Q1. Why are you visiting this neighborhood today? **(READ LIST IF NECESSARY. ACCEPT ALL THAT APPLY.)**

01 Shopping at a grocery, drug, or convenience store
02 Retail shopping
03 Dining
04 Working
05 Visiting attractions or for other entertainment purposes
06 Visiting friends/family
95 Other **(specify):**__________
98 **DO NOT READ:** Refused

Q2. How frequently do you visit this neighborhood? Would you say…? **(READ LIST.)**

01 Once a week or more
02 About once every other week, two times a month
03 About once a month
04 About once every two months
05 About once every 3 to 4 months
06 About once every 5 to 6 months, two times a year
07 Less often than once every 6 months
99 **DO NOT READ:** Don't know/Refused

Q3. When visiting this neighborhood, would you say you do each of the following very frequently, somewhat frequently, not very frequently, or not at all? First/Next…? **(READ ENTIRE LIST.)**

		Very frequently	Somewhat frequently	Not very frequently	Not at all	DNR: DK/ Rfsd
a.	Shop at a grocery, drug or convenience store	04	03	02	01	99
b.	Other retail shopping	04	03	02	01	99
c.	Eat at a sit down restaurant	04	03	02	01	99
d.	Get takeout	04	03	02	01	99
e.	Visit attractions or for other entertainment purposes	04	03	02	01	99

Q4. What time of day do you typically visit this neighborhood to shop, eat out, or for other leisure or entertainment purposes? **(READ ENTIRE LIST. CHECK ALL THAT APPLY.)**

01 Before 11:00 AM
02 Between 11:00 AM and 5:00 PM
03 After 5:00 PM
99 **DO NOT READ:** Don't know/Refused

Survey instrument (continued)

Q5. How would you rate this neighborhood on the following, using a scale of excellent, very good, good, fair, or poor. First/Next...? **(READ ENTIRE LIST. RANDOMIZE. *ALWAYS ASK LAST.)**

		Excellent	Very good	Good	Fair	Poor	DNR: DK/ Rfsd
a.	Availability of parking	05	04	03	02	01	99
b.	Walkability	05	04	03	02	01	99
c.	Availability of grocery shopping	05	04	03	02	01	99
d.	Availability of restaurants for takeout	05	04	03	02	01	99
e.	Availability of sit down restaurants	05	04	03	02	01	99
f.	Availability of attractions or entertainment	05	04	03	02	01	99
g.	Quality of grocery shopping	05	04	03	02	01	99
h.	Quality of restaurants for takeout	05	04	03	02	01	99
i.	Availability of parks	05	04	03	02	01	99
j.	Quality of sit down restaurants	05	04	03	02	01	99
k.	Quality of attractions or entertainment	05	04	03	02	01	99
l.	Quality of parks	05	04	03	02	01	99
m.	Safety from crime	05	04	03	02	01	99
m.	Safety from accidents	05	04	03	02	01	99
o.	Availability of public transportation	05	04	03	02	01	99
p.	Ease of driving	05	04	03	02	01	99
q.	Cleanliness	05	04	03	02	01	99
r.	*Overall, how would you rate your impression of this neighborhood	05	04	03	02	01	99

Q6. Would you say you visit each of the following areas very frequently, somewhat frequently, not very frequently, or not at all to shop, eat out, or for other leisure purposes? First/Next...? **(READ ENTIRE LIST.)**

		Very frequently	Somewhat frequently	Not very frequently	Not at all	DNR: DK/ Rfsd
a.	This neighborhood	04	03	02	01	99
b.	Other parts of Baltimore City	04	03	02	01	99
c.	Other parts of Baltimore County	04	03	02	01	99
d.	Areas outside of Baltimore City or County	04	03	02	01	99

Survey instrument (continued)

IF 2 OR 3 AREAS SELECTED AS THE MOST FREQUENT TO VISIT IN Q6, ASK:

Q7. You said that you visit **[INSERT MOST FREQUENT RESPONSES FROM Q6]** most frequently to shop, eat out, or for other leisure or entertainment purposes. Of those, which do you visit most frequently?

01 This neighborhood
02 Other parts of Baltimore City
03 Other parts of Baltimore County
04 Areas outside of Baltimore City or County
99 **DO NOT READ:** Don't know/Refused

IF MOST FREQUENT AREA IS OTHER PARTS OF BALTIMORE CITY [Q6b OR Q7 (02)], ASK:

Q8A. What neighborhoods in Baltimore City do you most frequently go to for shopping, eating out, or for other leisure or entertainment purposes?

Q9A. What specific stores, restaurants, leisure and entertainment venues do you most frequently go to in **[INSERT ANSWER TO Q8A]**?

IF MOST FREQUENT AREA IS OTHER PARTS OF BALTIMORE COUNTY OR AREAS OUTSIDE OF BALTIMORE CITY OR COUNTY [Q6c OR d OR Q7 (03-04)] , ASK:

Q8B. What towns in (other parts of Baltimore County/areas outside of Baltimore City or County) do you most frequently go to for shopping, eating out, or for other leisure or entertainment purposes?

Q9B. What specific stores, restaurants, leisure and entertainment venues do you most frequently go to in those towns?

ASK EVERYONE:

Q10A. What sort of stores, restaurants, attractions, entertainment, or other amenities would you like to see added to this neighborhood that would make you come here more often? **(CLARIFY. ACCEPT UP TO 6 RESPONSES. WRITE RESPONSES IN Q10B GRID.)**

Q10B. Of those businesses you just listed, how frequently would you visit…?

	Write in responses from Q10A.	Once a week or more	Once every other week to two times a month	Once a month to once every two months	Once every three months to once every 6 months	Less often than once every 6 months	**DNR: DK/ Rfsd**
1.		05	04	03	02	01	99
2.		05	04	03	02	01	99
3.		05	04	03	02	01	99
4.		05	04	03	02	01	99
5.		05	04	03	02	01	99
6.		05	04	03	02	01	99

Q11. Do you think the city has done enough to revitalize Belair Road? Do you think the city has done…? **(READ ENTIRE LIST.)**

01 Too little, or
02 Enough
03 **DO NOT READ:** Too much
99 **DO NOT READ:** Don't know/Refused

Survey instrument (continued)

READ TO EVERYONE: The following questions are for classification purposes only. Your responses will be kept strictly confidential.

D1. What is your primary mode of transportation? **(READ LIST IF NECESSARY. ACCEPT ONE RESPONSE ONLY. CLARIFY 'CAR.')**

- 01 A car you drive
- 02 A car driven by someone else
- 03 Public transportation
- 04 Taxi
- 05 Bicycle
- 06 Walk
- 95 Some other means **(specify):**________________
- 98 **DO NOT READ:** Refused

D2. Please indicate into which category your age falls. **(READ LIST.)**

- 01 18 to 24
- 02 25 to 34
- 03 35 to 44
- 04 45 to 54
- 05 55 to 64
- 06 65 to 74
- 07 75 or older
- 98 **DO NOT READ:** Refused

D3. Are you primarily...? **(READ LIST. ACCEPT ONE RESPONSE ONLY.)**

- 01 Self-employed
- 02 Employed full-time
- 03 Employed part-time
- 04 A student
- 05 A full-time homemaker
- 06 Retired
- 07 On temporary leave from your job
- 08 Unemployed and looking for a job
- 09 Unemployed and not looking for a job
- 98 **DO NOT READ:** Refused

D4. What is your home street address or what is the nearest intersection to your home?

Street:____________________________

OR

Nearest Intersection:______________ & ______________

98 Refused

D5. What is your home zip code?

___ ___ ___ ___ ___

98 Refused

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Survey instrument (continued)

D6. Including yourself, how many adults live in your household? And how many children less than 18 years of age? **(RANGE: 1+ ADULTS/0+ CHILDREN. USE '98' FOR REFUSED.)**

____	**Adults**
____	**Children**

D7. What is your racial background? **(READ LIST. ACCEPT ALL THAT APPLY.)**

01 Black or African-American
02 White
03 Hispanic or Latino
04 Asian or Pacific Islander
05 American Indian or Alaska Native
95 Of some other racial background
98 **DO NOT READ:** Refused

D8. Which category below includes your total annual household income before taxes for the year 2012? Total household income includes all of the money received by all of the people in your household before taxes. **(READ LIST. ALTERNATELY, SHOW CARD WITH RESPONSES.)**

01 Less than \$30,000
02 \$30,000 to less than \$50,000
03 \$50,000 to less than \$75,000
04 \$75,000 to less than \$100,000
05 \$100,000 to less than \$125,000
06 \$125,000 to less than \$150,000
07 \$150,000 or more
99 **DO NOT READ:** Don't know/Refused

D9. **DO NOT ASK:** Gender

01 Male
02 Female

READ TO EVERYONE: Those are all the questions I have. Thank you very much for your time and opinions.

D11. Interview Location:

01
02
03
04
05
06
07
08

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Appendix C – Belair Road Corridor Market Study

WTL+a

Belair Road Market Study

Comprehensive Real Estate & Economic Development Assessment
Baltimore, MD

Prepared for:
Willdan Financial Services
Washington, DC

On behalf of:
HARBEL Community Organization &
Gardenville-Belair Road Business Association
Baltimore, MD

October 2013

WTL +a
Real Estate & Economic Advisors
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General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable at the time the study was conducted. This study is based on estimates, assumptions, and other information developed by WTL +Associates (referred hereinafter as “WTL+a”) from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and/or representatives, or any other data source used in preparing or presenting this study.

No warranty or representation is made by WTL+a that any of the projected values or results contained in this study will actually be achieved. Possession of this study does not carry with it the right of publication thereof or to use the name of "WTL+a" in any manner without first obtaining the prior written consent of WTL+a. No abstracting, excerpting or summarizing of this study may be made without first obtaining the prior written consent of WTL+a. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person, other than the client, without first obtaining the prior written consent of WTL+a. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from WTL+a.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

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Figures & Tables

1 Executive Summary

Introduction

WTL+a, a national real estate and economic consulting firm based in Washington, D.C., was retained by Willdan Financial Services on behalf of the HARBEL Community Organization and the Gardenville-Belair Road Business Association to assist in conducting a comprehensive real estate and economic development assessment of the Belair Road commercial corridor located in both the City of Baltimore and Baltimore County, MD. This market study and economic development strategy are outcomes based on recommendations made during a Urban Land Institute (ULI) Technical Assistance Panel (TAP) convened in the study area in March 2011. WTL+a served on the Belair Road TAP panel.

The market study includes the following key elements:

- Profile of demographic characteristics and economic indicators affecting revitalization potentials of the study area;
- Analysis of existing land uses along the corridor in both the City of Baltimore and Baltimore County;
- Evaluation of recent and current market conditions in several real estate sectors; and,
- Market potentials to guide direction pertaining to redevelopment strategies and next steps.

Key findings from the more detailed analysis in Section 5 of this report are as follows:

Housing

Forecast population losses, housing vacancy trends (and indications that vacancies will increase) suggest that **opportunities for new, *market-rate* housing in the study area will be limited over the next five years.** This reinforces the critical importance of existing city programs—administered through the Baltimore Housing agency—to reduce vacancies, eliminate blight through code enforcement, and stabilize specific neighborhoods in the Belair

Road corridor, particularly at its southern end. Baltimore Housing's ongoing program for the Belair-Edison neighborhood includes funds to provide pre-purchase, budget, default and foreclosure prevention counseling; outreach and related services; and technical assistance to businesses and property owners located in the commercial district as part of the city's commitment to revitalize the Belair-Edison area.

While opportunities for new, market-rate housing appear limited, residents of the surrounding neighborhoods along Belair Road—in both the city and county—are aging, which suggests incremental opportunities for a limited amount of age-restricted and/or elderly housing to complement several nursing homes located on Belair Road. Five-year forecasts suggest an additional 1,900 residents ages 55 or older by 2017. Initial phases of housing product oriented to these age cohorts could include: age-restricted (i.e., for "active adults" 55+) product with **20 to 40 units** with living spaces on one level, and independent living units with on-site amenities that are clustered but part of a facility that also provides congregate care/assisted living units (ALUs), with another **20 to 40 units.**

This suggests that a site be identified that is sufficiently large to accommodate these products under unified/single-ownership as a means to attract a specialized developer such as Elderly Housing Development & Operations Corporation (EHDOC); National Development (in New England); National Community Renaissance (in Florida, Texas and California); Sunrise Senior Living (Marriott); etc. We note that opportunities for such age-restricted and/or elderly housing may be greater than these estimates. Additional market and financial feasibility studies will be required to determine overall viability. In light of ongoing vacancies in several surrounding neighborhoods, our housing analysis is inherently conservative.

Planning Target: 50 to 75 Housing Units

Oriented to Age-Restricted/Elderly Product

General Retail

The market analysis has identified significant levels of "recapture" opportunities, or retail leakage—retail spending generated by trade area households that occurs elsewhere (irrespective of location). In fact, **retail leakage is estimated at fully $370 million per year.**

There are *selected* merchandise categories that are logical candidates for a retail revitalization program for Belair Road. Trade area spending in these categories totals roughly $249 million per year, and could potentially include: General Merchandise (e.g., soft goods retailer); Electronics & Appliances; Eating & Drinking/Food Places; Food & Beverage/Groceries; Health & Personal Care/Drug Stores; Building Materials; and Miscellaneous Retail.

As a result of ongoing or planned public investment in the Belair Road corridor, such as the city's housing stabilization programs in Belair-Edison and approved funding for streetscape improvements, we believe Belair Road will be able to capture a portion of this retail opportunity gap. A capture of 10% to 11% translates into **$27 million in new retail spending on an annual basis**.

To the extent that any retail recruitment strategy oriented to these categories is successful, we note that **investment-grade rents (to justify construction feasibility) will require investment-grade (i.e., creditworthy) regional and national tenants.** It is clear from the existence of national tenants (e.g., CVS, Rite Aid, McDonald's, etc.), that Belair Road already meets specific tenant criteria, such as population densities, traffic counts, etc. Although Belair Road is considered a "hybrid" urban/suburban corridor with an existing mix of local/regional/national tenants, tenant recruitment should target a mix of qualified local and national tenants.

Retail Planning Targets

- **10,000 to 13,000 sq. ft.** of sit-down, "family-style" restaurants, ideally clustered in a node that serves to create a "restaurant district"
- **20,000 to 25,000 sq. ft.** in an urban-format grocery store. We note that this may *not* necessarily be a new store, but expansion OR stronger performance among the study area's existing grocers such as Aldi, Bi-Rite, etc.
- **10,000 to 15,000 sq. ft.** national drug store chain on a pad site that meets specified design criteria (such as frontage, rear parking, etc.) as established by the city and county
- **20,000 to 30,000 sq. ft.** of other retail tenant(s); for example, this could include a general merchandise/soft goods retailer that could serve as an anchor for development of a retail center in a key node along the corridor

Importantly national tenants will generate "traffic" necessary to support local businesses. Moreover, **any local/mom & pop businesses considered candidates for Belair Road will require a viable business plan and capital/credit necessary to succeed.**

Lodging/Hospitality

The strongest location for possible/future hotel development is as close to the Beltway interchange in Baltimore County as possible, to maximize the locational advantages provided by the Beltway, such as visibility, easy-on/off access, etc., for highway travelers. As the Belair Road corridor does not provide any logical demand generators for hotel rooms (i.e., corporate office park, hospital/medical center, etc.), it is likely that highway travelers will be an important market segment for generating roomnight demand.

- Market conditions among the area's supply of hotels should be closely monitored over the next three years. Annual occupancies need to be *sustained* in the range of 67% to 72% to justify feasibility.
- A site should be identified in the county as close to the Baltimore Beltway as possible to ensure strong visibility and frontage.
- Market potentials are likely to be oriented to a limited-service product. Limited-service properties in White Marsh already include Fairfield Suites and Residence Inn (Marriott) as well as a Hampton Inn and Hilton Garden Inn (Hilton). Since a hotel on Belair Road will compete with lodging properties in White Marsh, it may behoove these national chains to consider Belair Road as multiple locations of a single flag/operator in a single submarket typically enhance operating efficiencies and roomnight capture with more than one product in the marketplace. Additional market and financial feasibility studies will be required to document this recommendation pending occupancy levels over the next three years.

Typically, **a limited-service product seeks 80 to 120 rooms** on a site with sufficient land to accommodate surface parking. In strong markets, such flags will consider sites that do not provide adequate frontage on a primary arterial such as Belair Road, as long as there is immediate access to key demand generators (in this case, the Beltway/highway travelers).

Planning Target: Limited-Service Hotel
Containing 80—120 Rooms

2 Study Area Land Uses

As part of the market study, WTL+a evaluated the existing land use mix throughout the Belair Road corridor. This analysis is based on April 2013 data prepared by CoStar Realty, a national real estate database, and provided by the Baltimore Development Corporation. Our analysis focused on the mix of uses on Belair Road and several key side streets (such as Erdman Avenue) within the City of Baltimore as well as that portion of the corridor located in Baltimore County.

Figure 1: Belair Road Corridor Study Area

Land Use Mix & Densities

The land use analysis is illustrated in detail in Table 1 and Table 2, with key findings summarized below:

- The Belair Road corridor contains approximately **2.6 million sq. ft. of gross building area** across multiple uses. Of the total, roughly 1.9 million sq. ft. (74%) of these uses are located in that portion of the corridor located in the City of Baltimore, with the remaining 689,000 sq. ft. (26%) located in Baltimore County;
- CoStar data indicates that the total land area of Belair Road properties comprises 135 acres in Baltimore City, with an additional 47 acres in Baltimore County, for a total of 182 acres. While the study area in its entirety comprises a larger area beyond Belair Road, it is primarily residential in character, and these residential areas are not the focus of this study;
- Notably, **overall densities/building patterns (i.e., floor area ratios [FAR]) are characteristic of a low-density, suburban commercial corridor**—with FARs averaging 0.27 for retail and a combined 0.49 for other uses, which include institutional, Class B and C office, residential, and warehouse/flex. Floor area ratio is defined as the amount of building area that covers a parcel of land. In effect, Belair Road would be considered a "hybrid" between urban (e.g., rowhouse blocks) and suburban (e.g., low-density pad commercial) in its development patterns;

Overall Densities on Belair Road are Characteristic of a **Low-Density Suburban Commercial Corridor**

- Densities are *slightly* higher in Baltimore City—0.36 compared to 0.26 in the county. **Belair Road has an overall average density of 0.33** (i.e., each building covers roughly one-third of its land area). Typical densities in a suburban commercial corridor generally fall in the range of 0.25 to .35. However, a key goal of this study is to test market opportunities for mixed-use redevelopment at higher densities in catalyst projects that will fuel additional revitalization elsewhere in the corridor.

- Commercial retail is the predominant use along the corridor, with fully 1.6 million sq. ft. of retail space (61% of total), comprising automotive, financial, food service, general, grocery, lounge/entertainment, storefront uses and strip centers.
- **General retail and automotive comprise the lion's share of retail uses—with more than 880,000 sq. ft. of space** in these two categories. The largest share of auto-oriented uses (e.g., car dealerships, gas stations, auto repair, etc.) is located in Baltimore City, with more than 341,000 sq. ft. scattered in roughly 19 of the 36 blocks in that portion of the study area located in the city.
- Other predominant land uses include:
  - ✓ Institutional (e.g., churches, day care, U.S. Post Office, etc.), with more than 271,000 sq. ft. of space (27%)
  - ✓ "Storefront" retail (e.g., typically retail uses occupying converted rowhouses), with 353,000 sq. ft. (22%)
  - ✓ Warehouse and "flex" uses occupying more than 445,000 sq. ft. of space

Vacant/Underutilized Land

While overall densities and land utilization in the corridor is considered low, there are few vacant parcels. In fact:

- CoStar data suggest **9.1 acres of vacant land**, accounting for only 5% of all uses in the corridor. There are 6.9 acres of undeveloped land located in the county, and only 2.2 acres located in Baltimore City in scattered locations. No further information is available on these parcels, and it is not known whether they are buildable (e.g., if there are environmental conditions that would preclude development).
- In addition, opportunity sites, such as the former Koons parcels, provide an estimated 15 acres for redevelopment.

About 9.1 Acres of Vacant Land in the Study Area

Is it Developable?

Table 1: Study Area Land Use Mix & Densities

	Land Use	Building Area (Sq. Ft.)	% of Total	Land Area (Sq. Ft.)	Land Area Acres	% of Total	Overall Density (FAR)
Retail							
	Automotive	371,592	23%	1,528,085	35.1	26%	0.24
	Bank/Financial	31,770	2%	149,846	3.4	3%	0.21
	Food Service	57,525	4%	364,597	8.4	6%	0.16
(1)	General Retail	512,329	32%	2,198,473	50.5	37%	0.23
	Grocery	25,068	2%	142,441	3.3	2%	0.18
	Lounge/Entertainment	21,515	1%	31,363	0.7	1%	0.69
(2)	Storefront Retail	353,087	22%	618,116	14.2	11%	0.57
(3)	Strip Center	213,537	13%	818,928	18.8	14%	0.26
	Theater	6,048	0%	19,602	0.5	0%	0.31
Subtotal - Retail:		**1,592,471**	**61%**	**5,871,452**	**134.8**	**100%**	**0.27**
Other Uses							
	Institutional	271,261	27%	548,420	12.6	27%	0.49
(4)	Office - Class B	120,447	12%	-	-	0%	N/A
(4)	Office - Class C	157,833	16%	-	-	0%	N/A
	Residential	14,020	1%	75,794	1.7	4%	0.18
	Vacant Land	-	0%	396,396	9.1	19%	-
	Warehouse & Flex	445,455	44%	1,025,957	23.6	50%	0.43
Subtotal - Other Uses:		**1,009,016**	**39%**	**2,046,568**	**47.0**	100%	**0.49**
SUMMARY:							
	All Uses	**2,601,487**	**100%**	**7,918,021**	**181.8**		**0.33**

(1) *General retail as defined by CoStar Realty comprises a range of retail uses, primarily convenience and service. Examples include: the garden centers/nurseries located at 5707 and 5840 Belair Road; funeral homes at 6415 and 7401 Road; and some small retail centers such as Overlea Plaza, an 11,500 sq. ft. center at 6608 Belair Road.*

(2) *Storefront retail as defined by CoStar Realty comprises numerous blocks with formerly residential rowhouses that have been converted to commercial (retail and office) uses.*

(3) *Strip centers as defined by CoStar Realty include unanchored retail centers generally ranging in size from 6,500 to 55,000 sq. ft. in size. Examples include: Gardenville Shopping Center (4206) and Overlea Shopping Center (6635) in Baltimore City; and Taylor Plaza (7400) and the Belair-Fowler Shopping Center (7621) in Baltimore County.*

(4) *Class B and C office uses as defined by CoStar Realty comprise various properties ranging in size from 1,000 to 15,000 sq. ft. Building quality, physical and functional obsolescence, rents and tenant types generally dictate whether a building is defined as Class B or C. There are numerous examples of rowhouses converted to office use.*

Source: CoStar Realty; Baltimore Development Corporation; WTL+a, revised July 2013.

Table 2: Study Area Land Use Mix & Densities, by Jurisdiction

	Land Use	Building Area (Sq. Ft.)	% of Total	Land Area (Sq. Ft.)	Land Area Acres	% of Total	Overall Density (FAR)
Baltimore City							
Retail							
	Automotive	341,373	30%	1,308,978	30.1	33%	0.26
	Bank/Financial	9,187	1%	23,087	0.5	1%	0.40
	Food Service	40,120	4%	153,331	3.5	4%	0.26
(1)	General Retail	323,809	29%	1,334,243	30.6	34%	0.24
	Grocery	25,068	2%	142,441	3.3	4%	0.18
	Lounge/Entertainment	21,515	2%	31,363	0.7	1%	0.69
(2)	Storefront Retail	259,068	23%	383,328	8.8	10%	0.68
(3)	Strip Center	106,803	9%	540,580	12.4	14%	0.20
	Theater	6,048	1%	19,602	0.5	0%	0.31
Subtotal - Retail:		**1,132,991**	**59%**	**3,936,953**	**90.4**	**100%**	**0.29**
Other Uses							
	Institutional	148,153	19%	219,978	5.1	16%	0.67
	Office - Class B	75,400	10%	-	-	0%	N/A
	Office - Class C	120,899	16%	-	-	0%	N/A
	Residential	10,564	1%	60,984	1.4	4%	0.17
	Vacant Land	-	0%	96,703	2.2	7%	-
	Warehouse & Flex	424,687	54%	993,168	22.8	72%	0.43
Subtotal - Other Uses:		**779,703**	**41%**	**1,370,833**	**31.5**	100%	**0.57**
SUMMARY:							
	City of Baltimore	**1,912,694**	**74%**	**5,307,786**	**121.9**		**0.36**
Baltimore County							
Retail							
	Automotive	30,219	3%	219,107	5.0	6%	0.14
	Bank/Financial	22,583	2%	126,760	2.9	3%	0.18
	Food Service	17,405	2%	211,266	4.9	5%	0.08
(1)	General Retail	188,520	17%	864,230	19.8	22%	0.22
	Grocery	-	0%	-	-	0%	N/A
	Lounge/Entertainment	-	0%	-	-	0%	N/A
(2)	Storefront Retail	94,019	8%	234,788	5.4	6%	0.40
(3)	Strip Center	106,734	9%	278,348	6.4	7%	0.38
	Theater	-	0%	-	-	0%	N/A
Subtotal - Retail:		**459,480**	**67%**	**1,934,500**	**44.4**	**49%**	**0.24**
Other Uses							
	Institutional	123,108	16%	328,442	7.5	24%	0.37
(4)	Office - Class B	45,047	6%	-	-	0%	N/A
(4)	Office - Class C	36,934	5%	-	-	0%	N/A
	Residential	3,456	0%	14,810	0.3	1%	0.23
	Vacant Land	-	0%	299,693	6.9	22%	-
	Warehouse & Flex	20,768	3%	32,789	0.8	2%	0.63
Subtotal - Other Uses:		**229,313**	**33%**	**675,735**	**15.5**	49%	**0.34**
SUMMARY:							
	Baltimore County	**688,793**	**26%**	**2,610,235**	**59.9**		**0.26**

(1) General retail as defined by CoStar Realty comprises a range of retail uses, primarily convenience and service. Examples include: the garden centers/nurseries located at 5707 and 5840 Belair Road; funeral homes at 6415 and 7401 Road; and some small retail centers such as Overlea Plaza, an 11,500 sq. ft. center at 6608 Belair Road.

(2) Storefront retail as defined by CoStar Realty comprises numerous blocks with formerly residential rowhouses that have been converted to commercial (retail and office) uses.

(3) Strip centers as defined by CoStar Realty include unanchored retail centers generally ranging in size from 6,500 to 55,000 sq. ft. in size. Examples include: Gardenville Shopping Center (4206) and Overlea Shopping Center (6635) in Baltimore City; and Taylor Plaza (7400) and the Belair-Fowler Shopping Center (7621) in Baltimore County.

(4) Class B and C office uses as defined by CoStar Realty comprise various properties ranging in size from 1,000 to 15,000 sq. ft. Building quality, physical and functional obsolescence, rents and tenant types generally dictate whether a building is defined as Class B or C. There are numerous examples of rowhouses converted to office use.

Source: CoStar Realty; Baltimore Development Corporation; WTL+a, June 2013.

Occupancy & Absorption Patterns

Data on building occupancies, vacancy patterns and trends in absorption/leasing activity of properties in the Belair Road corridor in its entirety is *not* available. In fact, information from the CoStar database was reported for only a very *limited* number of properties in the study area in its April 2013 report provided by BDC.

WTL+a contacted CoStar Realty to ascertain the validity of these data, as information on building performance such as vacancy rates is a critical means of evaluating market conditions, trends and development opportunities. CoStar noted that "the Belair Road corridor includes numerous small, one-off properties and/or privately-owned properties for which CoStar cannot obtain vacancy and other critical market data. Therefore, the whole data run will not show the property numbers, and analytic data is not available for this subset of properties." One-off properties, for example, would include the numerous rowhouse conversions from residential to commercial (office and retail).

3 Demographic & Economic Profile

The following evaluates those indices that drive fundamental market demand for revitalization and redevelopment opportunities along Belair Road. This includes such factors as population and household growth; employment trends and forecasts; household consumer spending; housing tenure characteristics; and, other indices that inform the depth and magnitude of potential market support for specific revitalization initiatives.

WTL +a utilized various secondary public and private sources in this analysis, including: the U.S. Census Bureau; the Maryland Department of Labor, Licensing & Regulation; the City of Baltimore and Baltimore County; Baltimore Development Corporation; the Greater Baltimore Committee; ESRI Business Analyst; Woods & Poole, Inc.; and others. These findings are summarized below, with data illustrated in Table 3 through Table 13.

Demographic Characteristics

The demographic analysis commenced with a review of trends and forecasts for the City of Baltimore (Table 3) and Baltimore County (Table 4) as a means of understanding the relative market position of the Belair Road corridor. Key findings are summarized below:

City of Baltimore: 2010—2017 (Table 3)

- Consistent with other major cities across the Northeast, after years of population declines, the city's population appears to have increased slightly since the 2010 Census. Between 2010 and 2012, the city's population increased by 3,300 in almost 500 new households.
- Forecasts suggest that the city will continue to grow over the next five years—with a *gain* of over **4,000 new residents in 3,300 new households**. The lion's share of growth is expected to occur in downtown and nearby/adjacent neighborhoods such as Canton, Fells Point and the North Charles Street corridor generated by new residential construction.

Table 3: Demographic Characteristics, City of Baltimore, 2010—2017

	2010	2012	% Dist.	2017	% Dist.	Change: 2012-2017 No.	Change: 2012-2017 %
Demographic Profile							
Population	620,961	624,266		628,339		4,073	0.7%
Households	249,903	250,396		253,666		3,270	1.3%
Avg. HH Size	2.48	2.49		2.48			-0.6%
Median Age	34.5	34.6		35.1			1.4%
Race							
White	183,830	190,801	31%	201,380	32%	10,579	5.5%
Black	395,781	389,514	62%	375,220	60%	(14,294)	-3.7%
American Indian	2,270	2,203	0%	2,081	0%	(122)	-5.5%
Asian, Pacific Islander	14,822	15,565	2%	17,566	3%	2,001	12.9%
Other	11,303	12,009	2%	14,886	2%	2,877	24.0%
Two or More Races	12,955	14,174	2%	17,206	3%	3,032	21.4%
Hispanic *(1)*	25,960	27,854	4%	34,703	6%	6,849	24.6%
Age Distribution							
0-14	110,932	110,381	18%	111,249	18%	868	0.8%
15-24	100,738	100,206	16%	95,151	15%	(5,055)	-5.0%
25-34	103,564	105,545	17%	107,341	17%	1,796	1.7%
35-44	76,564	74,809	12%	73,632	12%	(1,177)	-1.6%
45-54	87,445	85,191	14%	79,343	13%	(5,848)	-6.9%
55-64	68,906	72,143	12%	75,639	12%	3,496	4.8%
65-74	38,552	41,238	7%	49,508	8%	8,270	20.1%
75+	34,260	34,753	6%	36,476	6%	1,723	5.0%
Median HH Income	$ -	$ 37,621		$ 41,543			10.4%
Average HH Income	$ -	$ 53,271		$ 60,668			13.9%
Housing Profile							
Owner-occupied	119,163	113,936		115,583		1,647	1.4%
% of Total	40.2%	38.2%		38.3%			
Renter-occupied	130,740	136,460		138,083		1,623	1.2%
% of Total	44.1%	45.7%		45.7%			
Vacant	46,782	48,069		48,187		118	0.2%
% of Total	15.8%	16.1%		16.0%			
Total Units:	**296,685**	**298,465**		**301,853**		**5,168**	**1.1%**
Median Value	$ -	$ 167,102		$ 167,618			
Average Value	$ -	$ 199,315		$ 210,286			

(1) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.

Source: ESRI Business Analyst; WTL +a, May 2013.

- Citywide, age cohorts with the greatest increases are expected to include ages 25—34, which should bode well for first-time homebuyer programs, as well as empty nesters (ages 55—64) and the elderly.
- Citywide, the number of both owner- and renter-occupied housing units should increase, although the proportional distribution of each should remain relatively constant.

Baltimore County: 2010—2017 (Table 4)

- Baltimore County is considered a mature suburb with patterns of growth and economic investment (and disinvestment) characteristic of similar jurisdictions adjacent to major Northeastern cities. Since the 2010 Census, the county has exhibited nominal population growth, adding 3,100 new residents in 1,700 new households by 2012.
- Forecasts prepared by ESRI Business Analyst suggest that growth in Baltimore County will accelerate slightly over the next five years—adding almost 10,700 new residents in 3,200 new households. The largest share of population growth is expected to occur in the county's faster-growing northern fringe, such as Reisterstown, the Northwest Expressway corridor, and nearby areas.
- Age cohorts with the highest growth are expected to include school-age children; "Millenials" (ages 25—34); empty nesters (ages 55—64); and the elderly.

Retail Trade Area Demographic Characteristics

As part of its market analysis, WTL+a conducted drive time studies to gain a qualitative understanding of Belair Road's retail gravitational pull and traffic patterns. The trade area definitions also consider the findings of the consumer intercept survey as well as competitive retail locations such as the Harford Road corridor and the significant retail cluster in White Marsh.

Trade Area: Baltimore City 2010—2017 (Table 5)

Given the findings from the WBA Research intercept surveys of where consumers to Belair Road reside, WTL+a has analyzed demographic characteristics in those neighborhoods that are expected to comprise the study area's primary "retail trade area." The retail trade area was illustrated previously in Figure 1. In Baltimore City, these neighborhoods, which are consistent with the city's Neighborhood Statistical Area boundaries, include:

- ✓ Belair-Edison
- ✓ Four-by-Four
- ✓ Mayfield
- ✓ Arcadia
- ✓ Frankford
- ✓ Cedonia
- ✓ Beverly Hills
- ✓ Moravia-Walther
- ✓ Waltherson
- ✓ Lauraville
- ✓ Morgan State University/Morgan Park
- ✓ Hamilton Hills
- ✓ Glenham-Belhar
- ✓ Cedmont
- ✓ Westfield
- ✓ Rosemont East
- ✓ North Harford Road
- ✓ Overlea
- ✓ Taylor Heights

Demographics trends and forecasts for the 2012—2017 period in these city neighborhoods suggest:

- These multiple neighborhoods contain a current population of **89,200 residents in 34,300 households.** Over the next five years, population is expected to remain relatively stable (with only nominal declines);
- **The number of residents over the age of 55 is expected to increase, suggesting enhanced opportunities for different housing products**, such as age-restricted, elderly and continuing care;
- The number of households is also forecast to increase, suggesting an increase in extended family and in-law units, even as the overall number of vacant units is forecast to increase;
- City neighborhoods surrounding Belair Road are also expected to become more diverse, and average household incomes are forecast to jump by 12%—to $59,400 by 2017. This suggests that household buying power will increase, thereby strengthening opportunities for better-performing retail along Belair Road and/or additional retail opportunities within specific categories;

Table 4: Demographic Characteristics, Baltimore County, 2010—2017

	2010	2012	% Dist.	2017	% Dist.	Change: 2012-2017 No.	Change: 2012-2017 %
Demographic Profile							
Population	805,029	808,120		818,774		10,654	1.3%
Households	316,715	318,408		321,646		3,238	1.0%
Avg. HH Size	2.54	2.54		2.55			0.3%
Median Age	39.1	39.4		39.8			1.0%
Race							
White	520,185	511,943	63%	490,663	60%	(21,280)	-4.2%
Black	209,738	216,217	27%	233,629	29%	17,412	8.1%
American Indian	2,625	2,586	0%	2,598	0%	12	0.5%
Asian, Pacific Islander	40,396	42,871	5%	49,669	6%	6,798	15.9%
Other	12,801	13,928	2%	17,865	2%	3,937	28.3%
Two or More Races	19,284	20,575	3%	24,350	3%	3,775	18.3%
Hispanic *(1)*	33,735	37,023	5%	47,525	6%	10,502	28.4%
Age Distribution							
0-14	144,759	143,688	18%	145,390	18%	1,702	1.2%
15-24	114,066	112,886	14%	107,584	13%	(5,302)	-4.7%
25-34	103,555	105,500	13%	107,720	13%	2,220	2.1%
35-44	102,844	100,261	12%	98,854	12%	(1,407)	-1.4%
45-54	121,216	117,822	15%	109,943	13%	(7,879)	-6.7%
55-64	101,113	105,761	13%	111,430	14%	5,669	5.4%
65-74	56,470	60,331	7%	72,806	9%	12,475	20.7%
75+	61,006	61,871	8%	65,047	8%	3,176	5.1%
Median HH Income	$ -	$ 60,846		$ 74,211			22.0%
Average HH Income	$ -	$ 80,162		$ 91,927			14.7%
Housing Profile							
Owner-occupied	211,571	206,561		209,792		3,231	1.6%
% of Total	63.0%	61.2%		61.5%			
Renter-occupied	105,144	111,847		111,854		7	0.0%
% of Total	31.3%	33.2%		32.8%			
Vacant	18,907	18,883		19,637		754	4.0%
% of Total	5.6%	5.6%		5.8%			
Total Units:	**335,622**	**337,291**		**341,283**		**5,661**	**1.2%**
Median Value	$ -	$ 242,135		$ 263,130			
Average Value	$ -	$ 295,390		$ 320,890			

(1) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.

Source: ESRI Business Analyst; WTL +a, May 2013.

Table 5: Demographic Characteristics, Belair Road Neighborhoods—City, 2010—2017

	2010	2012	% Dist.	2017	% Dist.	Change: 2012-2017 No.	Change: 2012-2017 %
Demographic Profile							
Population	89,115	89,201		89,048		(153)	-0.2%
Households	34,447	34,330		34,437		107	0.3%
Avg. HH Size	2.59	2.60		2.59			-0.5%
Median Age	35.7	35.9		36.3			1.1%
Race							
White	22,275	23,422	26%	25,429	29%	2,007	8.6%
Black	62,847	61,490	69%	58,464	66%	(3,026)	-4.9%
American Indian	280	271	0%	259	0%	(12)	-4.4%
Asian, Pacific Islander	1,133	1,200	1%	1,404	2%	204	17.0%
Other	693	739	1%	939	1%	200	27.1%
Two or More Races	1,887	2,080	2%	2,553	3%	473	22.7%
Hispanic *(2)*	1,938	2,092	2%	2,690	3%	598	28.6%
Age Distribution							
0-14	17,723	17,624	20%	17,749	20%	125	0.7%
15-24	13,382	13,205	15%	12,414	14%	(791)	-6.0%
25-34	12,611	12,786	14%	12,845	14%	59	0.5%
35-44	12,155	11,841	13%	11,553	13%	(288)	-2.4%
45-54	14,118	13,718	15%	12,719	14%	(999)	-7.3%
55-64	10,785	11,305	13%	11,851	13%	546	4.8%
65-74	4,646	4,974	6%	5,984	7%	1,010	20.3%
75+	3,694	3,749	4%	3,933	4%	184	4.9%
Median HH Income	$ -	$ 43,246		$ 49,544			14.6%
Average HH Income	$ -	$ 53,250		$ 59,367			11.5%
Housing Profile							
Owner-occupied	21,590	20,875		20,977		102	0.5%
% of Total	56.7%	54.5%		54.3%			
Renter-occupied	12,857	13,455		13,460		5	0.0%
% of Total	33.8%	35.2%		34.8%			
Vacant	3,646	3,945		4,193		248	6.3%
% of Total	9.6%	10.3%		10.9%			
Total Units:	**38,093**	**38,275**		**38,630**		**537**	**0.9%**
Median Value	$ -	$ 175,390		$ 177,583			
Average Value	$ -	$ 178,028		$ 181,604			

(1) Selected neighborhoods are those that form a potential "retail trade area" surrounding the Belair Road corridor in Baltimore City. These area consistent with the geographic definitions of the city's Neighborhood Statistical Areas, and include: Belair-Edison; Four-by-Four; Mayfield; Arcadia; Frankford; Cedonia; Beverly Hills; Moravia-Walther; Waltherson; Lauraville; Morgan State University/Morgan Park; Hamilton Hills; Glenham-Belhar; Cedmont; Westfield; Rosemont East; North Harford Road; Overlea; and Taylor Heights.
(2) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.

Source: ESRI Business Analyst; WTL +a, May 2013.

- Notably, even with an increase in the number of households (107 by 2017), the number of vacant housing units is expected to increase by almost 250 units. This will exacerbate ongoing problems with vacancies, particularly in the Four-by-Four and Belair-Edison neighborhoods. The city's administration is particularly aware of this problem, and has targeted program resources to resolve these ongoing challenges. Over the next five years, forecasts suggest that vacancies will remain problematic—with vacancies increasing from 10.3% (3,945 units) to almost 11% (4,200 units) by 2017.

Trade Area: Baltimore County 2010—2017 (Table 6)

WTL+a also analyzed the Fullerton and Overlea neighborhoods in Baltimore County. As illustrated in Table 6, trends and forecasts suggest:

- Between 2010 and 2012, the population of these county neighborhoods decreased slightly—by 320 residents and more than 115 households. The county's trade area contains a current population of **13,500 residents in 5,100 households** adjacent to Belair Road;
- According to ESRI Business Analyst, the population of Fullerton and Overlea is forecast to continue declining—with nominal losses of another 340 residents and 150 households. This is characteristic of suburban neighborhoods in transition, as illustrated by an increase in empty nester households and a decline in school-age children;
- Similar to their city counterparts, these county neighborhoods are expected to diversify, with increases in the number of elderly residents and racial population cohorts;
- Average household incomes are forecast to increase at a rate higher than inflation—12.5%, reflecting *real* growth in household incomes—to more than $72,000 by 2017; and
- Housing tenure is also expected to shift—with a decline in owner-occupied units and an increase in renter-occupied units. Moreover, the number of vacant housing units is also expected to increase over the next five years—from 8.2% (456 units) to 10.5% (582 units).

A Potential Retail Trade Area with Combined

Population of 102,600 Residents in 39,400 Households

Table 6: Demographic Characteristics, Belair Road Neighborhoods—County, 2010—2017

	2010	2012	% Dist.	2017	% Dist.	Change: 2012-2017 No.	Change: 2012-2017 %
Demographic Profile							
Population	13,790	13,467		13,128		(339)	-2.5%
Households	5,226	5,109		4,960		(149)	-2.9%
Avg. HH Size	2.64	2.64		2.65			0.4%
Median Age	38.7	38.9		39.0			0.3%
Race							
White	8,555	8,094	60%	7,283	55%	(811)	-10.0%
Black	4,587	4,700	35%	5,076	39%	376	8.0%
American Indian	41	38	0%	33	0%	(5)	-13.2%
Asian, Pacific Islander	186	194	1%	220	2%	26	13.4%
Other	147	156	1%	196	1%	40	25.6%
Two or More Races	274	284	2%	319	2%	35	12.3%
Hispanic *(2)*	346	373	3%	473	4%	100	26.8%
Age Distribution							
0-14	2,640	2,562	19%	2,515	19%	(47)	-1.8%
15-24	1,864	1,793	13%	1,649	13%	(144)	-8.0%
25-34	1,729	1,726	13%	1,703	13%	(23)	-1.3%
35-44	1,880	1,787	13%	1,691	13%	(96)	-5.4%
45-54	2,127	2,005	15%	1,796	14%	(209)	-10.4%
55-64	1,633	1,662	12%	1,687	13%	25	1.5%
65-74	947	979	7%	1,133	9%	154	15.7%
75+	972	952	7%	955	7%	3	0.3%
Median HH Income	$ -	$ 53,921		$ 62,685			16.3%
Average HH Income	$ -	$ 64,127		$ 72,139			12.5%
Housing Profile							
Owner-occupied	4,088	3,888		3,758		(130)	-3.3%
% of Total	73.2%	69.9%		67.8%			
Renter-occupied	1,138	1,220		1,202		(18)	-1.5%
% of Total	20.4%	21.9%		21.7%			
Vacant	360	456		582		126	27.6%
% of Total	6.4%	8.2%		10.5%			
Total Units:	**5,586**	**5,564**		**5,542**		**(44)**	**-0.4%**
Median Value	$ -	$ 194,692		$ 204,496			
Average Value	$ -	$ 200,682		$ 209,236			

(1) Selected neighborhoods are those that form a potential "retail trade area" in the area surrounding the Belair Road corridor in Baltimore County. ESRI defines these areas as Fullerton and Overlea. Actual neighborhood names/areas to be clarified by Baltimore County.
(2) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.

Source: ESRI Business Analyst; WTL +a, May 2013.

City/County Employment Trends & Forecasts

Job growth in key industry sectors is a primary determinant of demand for "workplace" real estate such as office space, retail centers, industrial parks and the like. The following reviews trends and forecasts in citywide and county employment as a means of understanding opportunities for the Belair Road corridor to benefit from job growth.

Baltimore City (Table 7)

- As illustrated in Table 7, during the 2008-2010 economic downturn the City of Baltimore lost 21,600 jobs. **Since 2011, however, the city's economy has rebounded, with a net gain of 16,900 new jobs.** The strongest growth has occurred in Professional/Business Services, Education/Health Care and Leisure/Hospitality—which are the city's leading economic sectors;
- However, the state's Department of Labor, Licensing & Regulation forecasts suggest that the city's employment base will contract slightly between 2008—2018, with an expected loss of over 1,500 jobs; and
- With an anticipated decline in the city's employment base, it is critical that the city's economic development initiatives focus on job retention and creation, as that has a direct bearing on market conditions and development opportunities, such as office occupancies.

Baltimore County (Table 8)

As illustrated in Figure 2 and Figure 3, the Maryland Department of Labor, Licensing & Regulation does not track historic employment trends for Baltimore County (it is aggregated within data for the Baltimore MSA). Therefore, trends for selected years (2000, 2010 and 2018) as obtained from various sources, are depicted in Table 8.

- **Notably, Baltimore County had a net gain of more than 23,200 new jobs between 2000—2010,** with the largest gains occurring in Services (33,900), Financial Activities (1,300) and Government (5,600). Within Services, Education/Health Care sectors created the largest number of new jobs;
- State forecasts suggest that Baltimore County will gain **46,990 new jobs between 2008 and 2018**, but it is *not* known what specific industry sectors will experience net new job growth.

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Table 7: City of Baltimore Employment Trends & Forecasts, 2008—2018

Industry Sector	2008	2009	2010	2011	2012	Current 2013	2018	Job Growth/(Loss) Per Period 2008-2010	2011-2013	2013-2018
Mining/Resources & Construction	11,000	10,100	9,700	9,500	9,800	10,000	9,957	(1,300)	500	(43)
Manufacturing	15,700	13,900	13,200	12,800	12,300	12,000	11,949	(2,500)	(800)	(51)
Transp/Communications/Utilities	14,800	13,900	14,500	16,100	16,700	16,400	16,330	(300)	300	(70)
Wholesale & Retail Trade	26,700	24,600	15,608	24,400	24,400	24,475	24,370	(11,092)	75	(105)
Information	5,600	4,500	4,100	4,000	4,100	4,050	4,033	(1,500)	50	(17)
Financial Activities	20,800	18,600	18,200	18,300	18,300	18,225	18,147	(2,600)	(75)	(78)
Services										
Professional/Business Services	43,800	38,900	37,900	40,000	42,200	45,850	45,654	(5,900)	5,850	(196)
Education & Health Care	102,400	104,900	107,200	108,900	110,800	112,900	112,417	4,800	4,000	(483)
Leisure & Hospitality	25,600	24,800	24,200	24,800	26,400	25,800	25,690	(1,400)	1,000	(110)
Other Services	16,500	16,900	17,000	16,600	16,000	15,625	15,558	500	(975)	(67)
Government	82,600	83,000	82,300	77,200	76,400	75,475	75,152	(300)	(1,725)	(323)
TOTAL										
City of Baltimore:	**365,500**	**354,100**	**343,908**	**352,600**	**357,400**	**360,800**	**359,255**	**(21,592)**	**8,200**	**(1,545)**
Change	-	*(11,400)*	*(10,192)*	*8,692*	*4,800*	*3,400*	*(1,545)*			6,655
Baltimore MSA:	**1,313,600**	**1,272,900**	**1,272,600**	**1,292,600**	**1,317,800**	**1,326,700**				
Change	-	*(40,700)*	*(300)*	*20,000*	*25,200*	*8,900*				
City As % of MSA	*27.8%*	*27.8%*	*27.0%*	*27.3%*	*27.1%*	*27.2%*				

http://www.dllr.state.md.us/lmi/ces/cesexcel/
http://dllr.maryland.gov/lmi/iandoproj/baltimorecity/

Source: Maryland Dept. of Labor, Licensing & Regulation; WTL +a, May 2013.

Figure 2: Employment Data Available from State of Maryland, 2008—2013

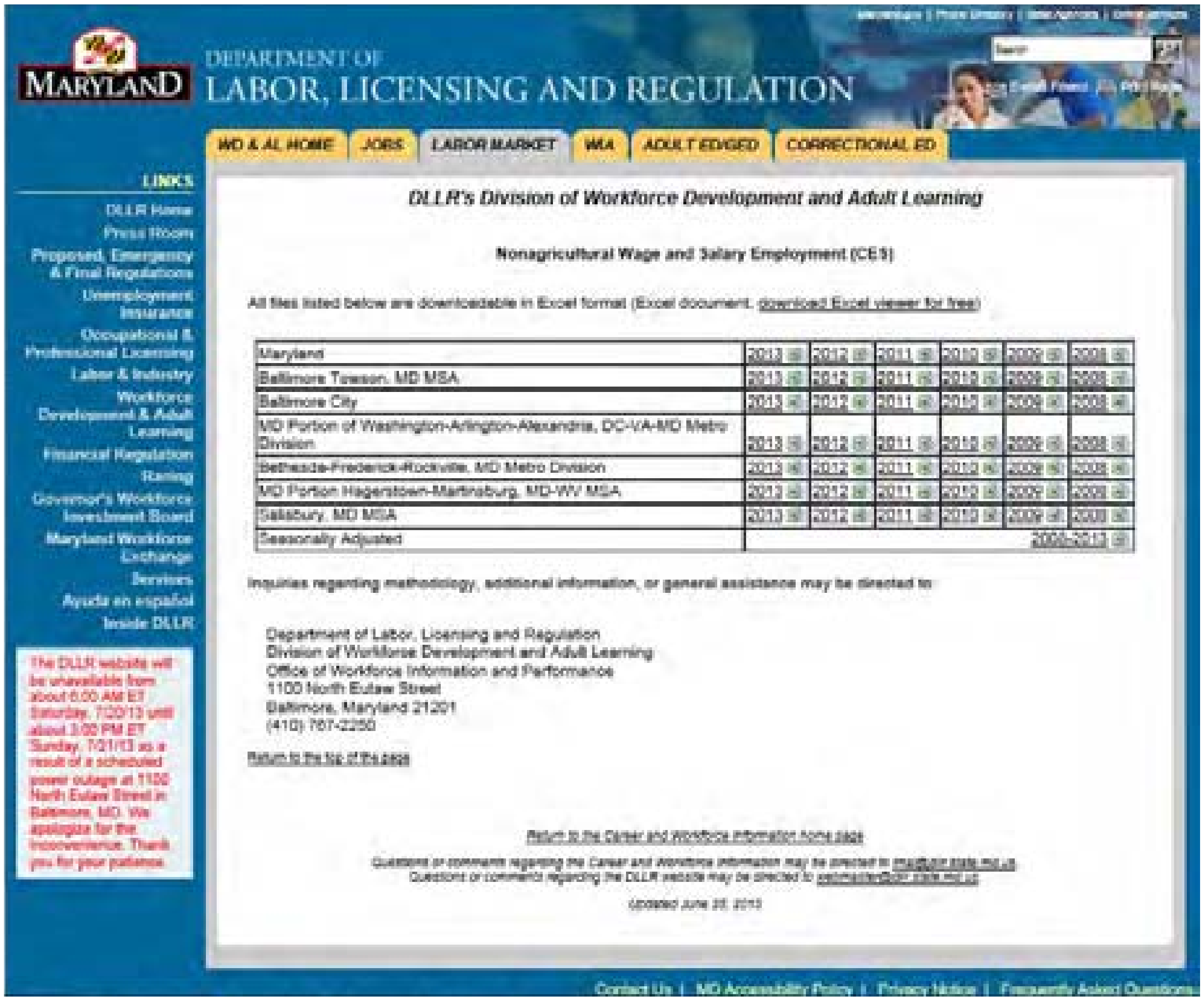

Figure 3: Baltimore County Employment Forecasts, 2008—2018

	2008	2018	Change
Baltimore County-All Occupations	407,170	454,160	**46,990**

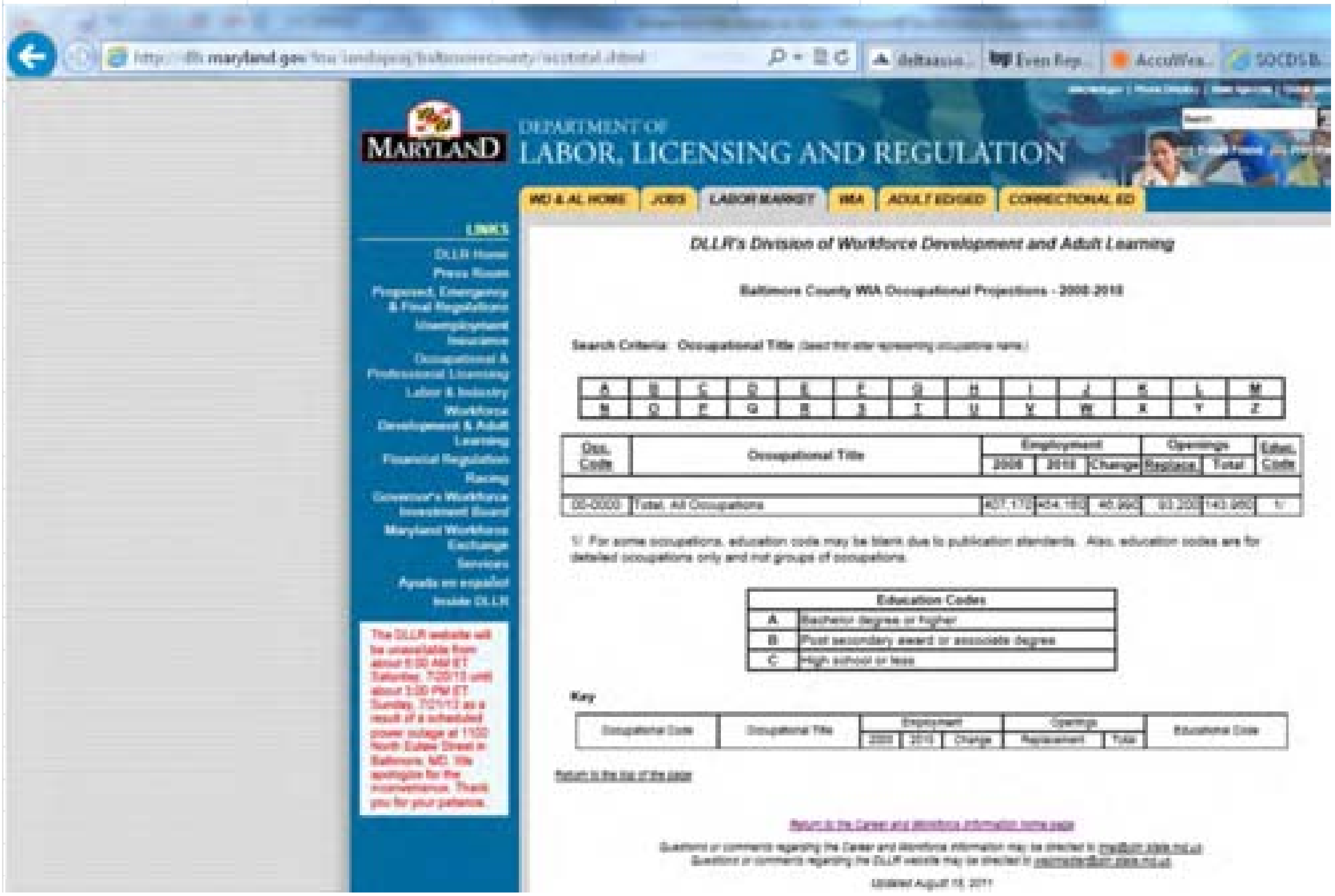

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Table 8: Baltimore County Employment Trends & Forecasts, 2000—2018

Industry Sector	2000	2008	2010	2018	Overall Change in Jobs 2000-2010	Overall Change in Jobs 2008-2018
Mining/Resources & Construction	23,408	-	22,949	-	(459)	-
Manufacturing	34,029	-	22,328	-	(11,701)	-
Transp/Communications/Utilities	18,728	-	19,389	-	661	-
Wholesale & Retail Trade	55,755	-	51,839	-	(3,916)	-
Information	12,314	-	10,116	-	(2,198)	-
Financial Activities	36,030	-	37,367	-	1,337	-
Services						
Professional/Business Services	40,049	-	45,231	-	5,182	-
Education & Health Care	87,102	-	112,151	-	25,049	-
Leisure & Hospitality	24,780	-	28,635	-	3,855	-
Other Services	18,471	-	18,309	-	(162)	-
Government	29,039	-	34,631	-	5,592	-
TOTAL						
Baltimore County:	**379,705**	**407,170**	**402,945**	**454,160**	**23,240**	**46,990**
Annual Change	**-**	*3,433*	*(2,113)*	*4,699*		
Baltimore MSA:	**1,313,600**	**1,272,900**				
Annual Change	**-**	*(40,700)*				
City As % of MSA	*28.9%*	*32.0%*				

Source: Maryland Dept. of Labor, Licensing & Regulation; WTL +a, July 2013.

Belair Road Business Mix

- As illustrated in Table 9, according to ESRI Business Analyst, there are approximately 585 businesses located on Belair Road providing jobs for more than 2,300 employees. These businesses cover a wide-array of sectors, but Services-and Retail Trade comprise the largest sectors and the greatest number of jobs, with 327 jobs (56%) and 126 jobs (21.5%), respectively;

Belair Road Contains an Estimated

585 Businesses & 2,300 Jobs

- The **"jobs-to-population" analysis suggests a citywide ratio of only 0.57;** that is, there is roughly one-half job for each of the city's 624,300 residents;
- By comparison, the jobs-to-population ratio on Belair Road is even lower—with *only* 0.03 jobs for the 89,200 residents living in the surrounding trade area within the City of Baltimore;
- For a major, Northeastern city like Baltimore, this is a low statistic. By comparison, the ratio in nearby Washington, D.C. is closer to a ratio of 1.3. Again, this reinforces the importance of citywide economic development initiatives that generate net new job growth.

Household Retail Spending

We compiled data on household retail spending as this is a key metric in understanding retail development potentials. Data are illustrated in Table 10.

- Households residing in the 19 Neighborhood Statistical Areas comprising the retail trade area in Baltimore City **spend $13,724 per year** on consumer retail goods;
- Households in the Baltimore County neighborhoods of Fullerton/Overlea **spend $16,370 per year**. Both levels are *below* the overall citywide ($13,900), county ($20,500), and national averages, and illustrative of a population with an increasing number of elderly residents whose retail spending power tends to be lower;
- In total, trade area residents spend more than $554.7 million on consumer retail items (irrespective of geography).

Table 9: Belair Road Business Mix (By SIC Codes), 2012

NAICS Category	Businesses		Employees	
	No.	% of Total	No.	% of Total
Mining & Natural Resources	**8**	1.4%	**40**	1.7%
Construction	**47**	8.0%	**159**	6.9%
Manufacturing	**18**	3.1%	**98**	4.3%
Transportation & Warehousing	**17**	2.9%	**106**	4.6%
Communications	**6**	1.0%	**23**	1.0%
Utilities	**-**	0.0%	**-**	0.0%
Wholesale & Retail Trade				
Wholesale	20		121	
Retail	106		441	
- Home Improvement	3		11	
- General Merchandise	3		16	
- Food Stores	7		21	
- Auto Dealers/Gas Stations/After-mkt	16		69	
- Apparel & Accessory Stores	6		12	
- Furniture/Home Furnishings	5		25	
- Eating & Drinking Places	29		158	
- Miscellaneous & Non-store Retail	36		129	
Subtotal - All Retail:	**126**	21.5%	**562**	24.4%
Finance/Insurance/Real Estate	**33**	5.6%	**143**	6.2%
Services				
- Hotel/Lodging	1		2	
- Automotive Services	28		89	
- Motion Pictures & Amusements	11		39	
- Health Services	40		245	
- Legal Services	3		9	
- Educational Institutions	11		122	
- Other Services	233		637	
Subtotal - Services:	**327**	55.9%	**1,143**	49.7%
Government	**3**	0.5%	**28**	1.2%
TOTAL:	**585**	**100.0%**	**2,302**	**100.0%**
As % Share of Baltimore City			**0.6%**	

ANALYSIS:	
2012 Employment-Baltimore City	357,400
2012 City Population	624,266
Jobs/Population Ratio	**0.57**
2012 Employment-Belair Road	2,302
2012 Neighborhood Population	89,201
Jobs/Population Ratio	**0.03**

Source: ESRI Business Analyst; WTL +a, May 2012.

Table 10: Annual Household Consumer Spending, 2012

	Baltimore	Baltimore	Belair Road Neighborhoods	
	City	County	City	County
Total Households (2012)	**250,396**	**318,408**	**34,330**	**5,109**
Apparel & Accessories				
Men's Wear	$ 211	$ 310	$ 208	$ 246
Women's Wear	363	529	356	423
Children's Wear	224	303	217	235
Footwear	166	235	162	186
Watches & Jewelry	108	174	108	133
Apparel Products & Services	141	175	131	130
Subtotal:	**$ 1,214**	**$ 1,726**	**$ 1,183**	**$ 1,353**
Computers				
Computers & Hardware	$ 159	$ 235	$ 157	$ 180
Software & Accessories	32	51	33	40
Subtotal:	**$ 191**	**$ 286**	**$ 190**	**$ 220**
Entertainment & Recreation				
Membership Fees for Clubs	$ 120	$ 198	$ 124	$ 159
Fees for Participant Sports	81	140	86	110
Admission to Movie/Theatre/Opera/Ballet	121	185	123	145
Admission to Sporting Events	45	74	46	63
Fees for Recreational Lessons	100	150	105	122
Dating Services	0	1	0	0
Subtotal:	**$ 467**	**$ 747**	**$ 484**	**$ 599**
TV/Video/Audio				
Cable & Satellite TV Services	$ 673	$ 951	$ 652	$ 771
Televisions	120	180	119	146
Satellite Dishes	1	2	1	1
VCRs, Video Cameras & DVD Players	9	15	9	11
Miscellaneous Video Equipment	6	9	6	7
Video Cassettes & DVDs	26	40	25	30
Video Game Hardware/Accessories	22	30	20	22
Video Game Software	24	34	23	27
Streaming/Downloaded Video	3	4	3	3
Rental of Video Cassettes & DVDs	20	31	20	23
Installation of Televisions	1	1	1	1
Audio	88	130	87	102
Rental & Repair of TV/Radio/Audio	3	5	3	4
Subtotal:	**$ 995**	**$ 1,431**	**$ 969**	**$ 1,149**

Table 10 (Continued): Annual Household Consumer Spending, 2012

	Baltimore City		Baltimore County		Belair Road Neighborhoods City		Belair Road Neighborhoods County	
Other Entertainment								
Pets	$	428	$	686	$	436	$	558
Toys & Games		111		156		109		124
Recreational Vehicles & Fees		135		253		152		211
Sports/Recreation/Exercise Equipment		108		174		110		136
Photo Equipment & Supplies		57		89		57		71
Reading		112		177		114		146
Catered Affairs		23		33		24		27
Subtotal:	**$**	**974**	**$**	**1,568**	**$**	**1,003**	**$**	**1,274**
Food & Alcohol								
Food at Home	$	3,845	$	5,549	$	3,776	$	4,458
Food Away from Home		2,472		3,608		2,430		2,816
Alcoholic & Non-alcoholic Beverages		790		1,133		768		889
Subtotal:	**$**	**7,107**	**$**	**10,290**	**$**	**6,974**	**$**	**8,163**
Household Furnishings & Equipment								
Household Textiles	$	82	$	121	$	81	$	95
Furniture		361		545		356		434
Floor Coverings		22		31		22		27
Major Appliances		180		299		187		243
Housewares		47		73		47		58
Small Appliances		33		50		33		41
Luggage		7		11		7		8
Telephones & Accessories		38		55		36		41
Lawn & Garden		275		466		289		394
Moving/Storage/Freight Expenses		54		78		51		55
Housekeeping Supplies		517		780		515		638
Subtotal:	**$**	**1,615**	**$**	**2,507**	**$**	**1,626**	**$**	**2,035**
Health & Personal Care								
Non- & Prescription Drugs	$	415	$	653	$	417	$	555
Optical		61		95		62		81
Personal Care Products		326		496		323		383
School Supplies		146		208		138		161
Smoking Products		389		501		356		398
Subtotal:	**$**	**1,336**	**$**	**1,954**	**$**	**1,297**	**$**	**1,578**
TOTAL:								
Total Annual Spending	**$**	**3,480,213,941**	**$**	**6,529,955,841**	**$**	**471,155,562**	**$**	**83,633,410**
Per Household	**$**	**13,899**	**$**	**20,508**	**$**	**13,724**	**$**	**16,370**
As % of Average HH Income		26.1%		25.6%		25.8%		25.5%
As % of Jurisdiction						***13.5%***		***1.3%***

Source: ESRI Business Analyst; WTL +a, May 2013.

Retail Performance & Potentials

WTL+a prepared a retail "recapture" analysis to understand strengths and weaknesses among specific merchandise categories and performance among Belair Road's retailers. This analysis compares demand (i.e., household spending) with supply (i.e., store sales). The resulting difference is either a gap or a surplus in retail sales. That is, a gap would indicate an opportunity to *recapture* retail sales among trade area households when spending in specific categories exceeds the sales generated by retailers along Belair Road. Conversely, a surplus in sales suggests that these businesses generate ***net imported sales*** from households (or other market segments such as visitors) from outside of Belair Road. Key findings are summarized below:

- As illustrated in Table 11, among households of the 19 trade area neighborhoods in Baltimore City **there is *significant* untapped spending potential in almost every retail category**. Current annual household spending among the 34,300 households totals more than $496.5 million;
- By comparison, current store sales among the estimated 1.1 million sq. ft. of retail space on Belair Road located in Baltimore City is estimated at $199.8 million annually, leaving an **opportunity of fully $296.7 million in current retail spending that goes elsewhere** (i.e., it is irrespective of location; this spending can go to White Marsh or Paris, France);
- This is also known as retail "leakage"; it is common in urban neighborhoods where retail spending frequently occurs in suburban jurisdictions where the retail supply is significantly greater. Not surprisingly, the lion's share of leakage likely goes to White Marsh;

$296 Million in Retail "Leakage" Among City Trade Area Households

Table 11: Retail "Recapture" Opportunities—City Trade Area Households, 2012

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
General Merchandise Stores			
Department Stores Excl Leased Depts.	$ 53,490,657	$ 11,852,050	$ 41,638,606
Other General Merchandise Stores	47,090,643	3,331,340	43,759,303
Subtotal:	**$ 100,581,300**	**$ 15,183,390**	**$ 85,397,909**
Clothing & Accessories Stores			
Clothing Stores	$ 32,754,808	$ 5,339,392	$ 27,415,416
Shoe Stores	6,546,711	3,571,246	2,975,465
Jewelry, Luggage, Leather Stores	5,783,720	929,877	4,853,843
Subtotal:	**$ 45,085,239**	**$ 9,840,515**	**$ 35,244,723**
Furniture & Home Furnishings Stores			
Furniture Stores	$ 8,465,457	$ 978,181	$ 7,487,276
Home Furnishing Stores	6,414,674	633,977	5,780,697
Subtotal:	**$ 14,880,131**	**$ 1,612,158**	**$ 13,267,973**
Electronics & Appliance Stores			
Appliances, TVs, Electronics Stores	$ 18,671,874	$ 2,935,127	$ 15,736,747
Subtotal:	**$ 18,671,874**	**$ 2,935,127**	**$ 15,736,747**
Leisure & Entertainment			
Sporting Goods Stores	$ 14,077,285	$ 5,037,644	$ 9,039,641
Books, Periodicals & Music	4,043,120	699,365	$ 3,343,755
Subtotal:	**$ 18,120,405**	**$ 5,737,009**	**$ 12,383,395**
Food Services & Drinking Places			
Full-Service Restaurants	$ 35,208,202	$ 15,113,336	$ 20,094,866
Limited-Service Eating Places	30,383,720	17,234,837	13,148,883
Special Food Services	3,784,845	3,298,326	486,520
Drinking Places -Alcoholic Beverages	5,459,271	7,754,764	(2,295,493)
Subtotal:	**$ 74,836,038**	**$ 43,401,263**	**$ 31,434,775**

Table 11 (Continued): Retail "Recapture" Opportunities—City Trade Area Households, 2012

Retail Category		Demand (HH Spending)		Supply (Store Sales)		"Recapture" Opportunity
Food & Beverage Stores						
Grocery Stores	$	118,943,601	$	63,508,499	$	55,435,102
Specialty Food Stores		3,131,965		1,206,208	$	1,925,757
Beer, Wine & Liquor Stores		13,301,670		16,577,113	$	(3,275,443)
Subtotal:	**$**	**135,377,236**	**$**	**81,291,820**	**$**	**54,085,416**
Health & Personal Care Stores						
Health & Personal Care Stores	$	49,521,170	$	31,250,956	$	18,270,214
Subtotal:	**$**	**49,521,170**	**$**	**31,250,956**	**$**	**18,270,214**
Building Material, Garden Equipment Stores						
Building Materials & Supplies	$	16,812,020	$	2,277,869	$	14,534,151
Lawn & Garden Equipment & Supplies		3,054,931		-		3,054,931
Subtotal:	**$**	**19,866,951**	**$**	**2,277,869**	**$**	**17,589,082**
Miscellaneous Store Retailers						
Florists	$	932,975	$	901,469	$	31,506
Office Supplies, Stationery, Gift Stores		4,658,425		1,580,856		3,077,568
Used Merchandise Stores		2,450,969		482,829		1,968,141
Other Miscellaneous Retail Stores		11,598,142		3,335,391		8,262,751
Subtotal:	**$**	**19,640,511**	**$**	**6,300,545**	**$**	**13,339,966**
TOTAL:						
HH Demand vs. Retail Sales	**$**	**496,580,855** *(2)*	**$**	**199,830,652**	**$**	**296,750,203**

(1) Claritas' "Retail Market Power" data is derived from two major sources of information. Demand data are derived from Consumer Expenditure Surveys fielded by the U.S. Bureau of Labor Statistics (BLS). Supply data are derived from the Census Bureau. The difference between demand and supply represents the "opportunity gap", or surplus, available for each retail category in the reporting geography. When demand is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than supply, there is a surplus of space in that retail category (i.e., positive value = opportunity/untapped spending potential, while negative value = surplus).

(2) Total household retail spending excludes spending on Non-Store Retailers (Internet); Motor Vehicle Parts and Dealers; and Gas Stations.

Source: ESRI Business Analyst; WTL +a, June 2013.

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Table 12: Retail "Recapture" Opportunities—County Trade Area Households, 2012

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
General Merchandise Stores			
Department Stores Excl Leased Depts.	$ 9,610,032	$ -	$ 9,610,032
Other General Merchandise Stores	8,396,254	-	8,396,254
Subtotal:	**$ 18,006,286**	**$ -**	**$ 18,006,286**
Clothing & Accessories Stores			
Clothing Stores	$ 5,699,525	$ 2,286,212	$ 3,413,313
Shoe Stores	1,123,227	151,261	971,966
Jewelry, Luggage, Leather Stores	1,054,180	84,391	969,789
Subtotal:	**$ 7,876,932**	**$ 2,521,864**	**$ 5,355,067**
Furniture & Home Furnishings Stores			
Furniture Stores	$ 1,529,753	$ 200,216	$ 1,329,537
Home Furnishing Stores	1,177,690	335,909	841,781
Subtotal:	**$ 2,707,443**	**$ 536,125**	**$ 2,171,318**
Electronics & Appliance Stores			
Appliances, TVs, Electronics Stores	$ 3,378,791	$ 357,157	$ 3,021,634
Subtotal:	**$ 3,378,791**	**$ 357,157**	**$ 3,021,634**
Leisure & Entertainment			
Sporting Goods/Hobby Stores	$ 2,509,652	$ 776,213	$ 1,733,439
Books, Periodicals & Music	720,131	-	720,131
Subtotal:	**$ 3,229,783**	**$ 776,213**	**$ 2,453,570**
Food Services & Drinking Places			
Full-Service Restaurants	$ 6,106,835	$ 1,765,774	$ 4,341,060
Limited-Service Eating Places	5,302,371	1,105,884	4,196,487
Special Food Services	652,436	2,466,719	(1,814,282)
Drinking Places -Alcoholic Beverages	986,621	875,951	110,670
Subtotal:	**$ 13,048,263**	**$ 6,214,328**	**$ 6,833,935**

Table 12 (Continued): Retail "Recapture" Opportunities—County Trade Area Households, 2012

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
Food & Beverage Stores			
Grocery Stores	$ 21,056,681	$ 978,953	$ 20,077,728
Specialty Food Stores	552,344	434,107	118,238
Beer, Wine & Liquor Stores	2,361,546	579,349	1,782,196
Subtotal:	**$ 23,970,571**	**$ 1,992,409**	**$ 21,978,162**
Health & Personal Care Stores			
Health & Personal Care Stores	$ 9,338,707	$ 803,608	$ 8,535,099
Subtotal:	**$ 9,338,707**	**$ 803,608**	**$ 8,535,099**
Building Material, Garden Equipment Stores			
Building Materials & Supplies	$ 3,324,585	$ 1,651,406	$ 1,673,179
Lawn & Garden Equipment & Supplies	623,492	-	623,492
Subtotal:	**$ 3,948,077**	**$ 1,651,406**	**$ 2,296,671**
Miscellaneous Store Retailers			
Florists	$ 188,411	$ 391,462	$ (203,051)
Office Supplies, Stationery, Gift Stores	857,212	75,296	781,915
Used Merchandise Stores	442,492	46,510	395,982
Other Miscellaneous Retail Stores	2,149,021	550,019	1,599,002
Subtotal:	**$ 3,637,136**	**$ 1,063,287**	**$ 2,573,848**
TOTAL:			
HH Demand vs. Retail Sales	**$ 89,141,989** *(2)*	**$ 15,916,397**	**$ 73,225,592**

(1) Claritas' "Retail Market Power" data is derived from two major sources of information. Demand data are derived from Consumer Expenditure Surveys fielded by the U.S. Bureau of Labor Statistics (BLS). Supply data are derived from the Census Bureau. The difference between demand and supply represents the "opportunity gap", or surplus, available for each retail category in the reporting geography. When demand is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than supply, there is a surplus of space in that retail category (i.e., positive value = opportunity/untapped spending potential, while negative value = surplus).

(2) Total household retail spending excludes spending on Non-Store Retailers (Internet); Motor Vehicle Parts and Dealers; and Gas Stations.

Source: ESRI Business Analyst; WTL +a, June 2013.

- As illustrated in Table 12, households residing in the Fullerton/Overlea neighborhoods of Baltimore County spend $89 million annually, of which $73.2 million in current retail spending goes elsewhere.

Combined Retail Recapture Opportunities (Table 13)

WTL+a evaluated the *combined* impacts of retail leakage and recapture opportunities among the total trade area (i.e., both city and county). These findings are illustrated in Table 13 and highlighted below:

- Combined, trade area households generate **total retail leakage (i.e., recapture opportunities) of almost $370 million per year.** Presuming that an industry-standard, investment-grade sales level averaging $250 per sq. ft. could be achieved would translate into supportable retail potentials of almost 1.5 million sq. ft.;
- ESRI Business Analyst data further suggest that retail businesses located in the Belair Road study area generate combined annual sales of **$215.7 million per year, indicating annual productivity of $135 per sq. ft. for the 1.59 million sq. ft. of retail uses located in the study area;**
- WTL+a notes that this is *not* considered "investment-grade" retail, as it reflects the overall mix (and strength) of national tenants (such as CVS, McDonald's, etc.) as well as local/"mom & pop" businesses that are typically characterized by significantly weak or low-sales performance and under-capitalization.

Belair Road Retailers Annual Sales Performance: $135 per SF

This Is *Not* Considered "Investment-Grade"

- Given the strength and drawing power of the retail cluster in nearby White Marsh, **it is unlikely that Belair Road will capture a significant portion of the retail dollars being spent elsewhere**. However, the key challenge is to identify a viable retail program and tenant mix, appropriate locations that are marketable and can accommodate redevelopment, and realistic capture rates of this untapped spending potential/recapture opportunity to ensure that retail revitalization and redevelopment of Belair Road is successful.

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Table 13: Retail "Recapture" Opportunities—Combined Trade Area Households, 2012

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
General Merchandise Stores			
Department Stores Excl Leased Depts.	$ 63,100,689	$ 11,852,050	$ 51,248,638
Other General Merchandise Stores	55,486,897	3,331,340	52,155,556
Subtotal:	**$ 118,587,586**	**$ 15,183,390**	**$ 103,404,195**
Clothing & Accessories Stores			
Clothing Stores	$ 38,454,333	$ 7,625,604	$ 30,828,729
Shoe Stores	7,669,938	3,722,507	3,947,430
Jewelry, Luggage, Leather Stores	6,837,900	1,014,268	5,823,631
Subtotal:	**$ 52,962,171**	**$ 12,362,379**	**$ 40,599,790**
Furniture & Home Furnishings Stores			
Furniture Stores	$ 9,995,210	$ 1,178,397	$ 8,816,813
Home Furnishing Stores	7,592,364	969,886	6,622,478
Subtotal:	**$ 17,587,574**	**$ 2,148,283**	**$ 15,439,291**
Electronics & Appliance Stores			
Appliances, TVs, Electronics Stores	$ 22,050,665	$ 3,292,284	$ 18,758,381
Subtotal:	**$ 22,050,665**	**$ 3,292,284**	**$ 18,758,381**
Leisure & Entertainment			
Sporting Goods/Hobby Stores	$ 16,586,937	$ 5,813,857	$ 10,773,080
Books, Periodicals & Music	4,763,251	699,365	4,063,886
Subtotal:	**$ 21,350,188**	**$ 6,513,222**	**$ 14,836,965**
Food Services & Drinking Places			
Full-Service Restaurants	$ 41,315,037	$ 16,879,110	$ 24,435,926
Limited-Service Eating Places	35,686,091	18,340,721	17,345,370
Special Food Services	4,437,281	5,765,045	(1,327,762)
Drinking Places -Alcoholic Beverages	6,445,892	8,630,715	(2,184,824)
Subtotal:	**$ 87,884,301**	**$ 49,615,591**	**$ 38,268,710**

Table 13 (Continued): Retail "Recapture" Opportunities—Combined Trade Area Households, 2012

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
Food & Beverage Stores			
Grocery Stores	$ 140,000,282	$ 64,487,452	$ 75,512,830
Specialty Food Stores	3,684,309	1,640,315	2,043,994
Beer, Wine & Liquor Stores	15,663,216	17,156,462	(1,493,246)
Subtotal:	**$ 159,347,807**	**$ 83,284,229**	**$ 76,063,578**
Health & Personal Care Stores			
Health & Personal Care Stores	$ 58,859,877	$ 32,054,564	$ 26,805,313
Subtotal:	**$ 58,859,877**	**$ 32,054,564**	**$ 26,805,313**
Building Material, Garden Equipment Stores			
Building Materials & Supplies	$ 20,136,605	$ 3,929,275	$ 16,207,330
Lawn & Garden Equipment & Supplies	3,678,423	-	3,678,423
Subtotal:	**$ 23,815,028**	**$ 3,929,275**	**$ 19,885,753**
Miscellaneous Store Retailers			
Florists	$ 1,121,386	$ 1,292,931	$ (171,545)
Office Supplies, Stationery, Gift Stores	5,515,637	1,656,152	3,859,483
Used Merchandise Stores	2,893,461	529,339	2,364,122
Other Miscellaneous Retail Stores	13,747,163	3,885,410	9,861,753
Subtotal:	**$ 23,277,647**	**$ 7,363,832**	**$ 15,913,813**
TOTAL:			
HH Demand vs. Retail Sales	**$ 585,722,844**	**$ 215,747,049**	**$ 369,975,795**
Existing Retail Space (Sq. Ft.) (Table 2)		**1,592,471**	
Productivity (Sales Per Sq. Ft.):		**$ 135**	

Source: ESRI Business Analyst; WTL +a, June 2013.

4 Real Estate Market Conditions

WTL +a evaluated recent and current market conditions in commercial real estate uses among selected geographies, including: Baltimore City, Baltimore County, and the Belair Road corridor (to the extent that data were available) to understand how recent market trends, current economic conditions, and future growth affect both near- and longer-term redevelopment and revitalization opportunities along Belair Road. This analysis is critical and was considered when testing overall redevelopment potentials.

This section of the report examines those factors, such as new residential development patterns, and analyzes historic and current office, retail and hotel inventory, occupancy and vacancy levels, annual absorption (leasing) activity, historic development trends, and other appropriate market indices based on available data. Key findings are summarized below and illustrated in Table 14 through Table 19.

Housing

In order to document how population and household growth affects redevelopment potentials on Belair Road, we reviewed information on annual residential building permits/housing starts (for the period between 2002 and 2012) and housing tenure/occupancy patterns. Notable findings are illustrated in Table 14 and summarized below:

Housing Starts & Tenure (Tables 14 & 15)

- Baltimore City issued permits for the construction of almost 7,500 new housing units during this period, including single- and multi-family units, at a *sustained* annual pace of **678 new units per year;**
- The lion's share (64%) of new residential development in the city is in buildings with five or more units, illustrative of the high-density residential development occurring in the Inner Harbor area of downtown and surrounding neighborhoods such as the waterfront, Canton and Fells Point. It is not known how many new housing units have been built in outlying

Table 14: New Housing Starts, 2002—2012

Housing Type	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-2012 Total	2002-2012 Avg. Annual
City of Baltimore													
No. of Permits (Units)													
Single-family Detached	181	206	433	643	332	204	153	137	118	75	164	2,646	241
2 to 4 Units	-	8	2	2	2	-	-	-	-	4	-	18	2
5 or More Units	112	481	305	611	315	115	927	204	251	910	566	4,797	436
Total - Baltimore City:	**293**	**695**	**740**	**1,256**	**649**	**319**	**1,080**	**341**	**369**	**989**	**730**	**7,461**	**678**
% Distribution													
Single-family Detached	62%	30%	59%	51%	51%	64%	14%	40%	32%	8%	22%	**35%**	
2 to 4 Units	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	
5 or More Units	38%	69%	41%	49%	49%	36%	86%	60%	68%	92%	78%	**64%**	
Baltimore County													
No. of Permits (Units)													
Single-family Detached	1,941	1,761	1,497	1,514	1,786	1,060	571	438	595	487	676	12,326	1,121
2 to 4 Units	10	12	4	34	-	-	9	-	-	-	6	75	7
5 or More Units	755	826	602	388	431	83	948	583	635	-	13	5,264	479
Total - Baltimore County:	**2,706**	**2,599**	**2,103**	**1,936**	**2,217**	**1,143**	**1,528**	**1,021**	**1,230**	**487**	**695**	**17,665**	**1,606**
% Distribution													
Single-family Detached	72%	68%	71%	78%	81%	93%	37%	43%	48%	100%	97%	**70%**	
2 to 4 Units	0%	0%	0%	2%	0%	0%	1%	0%	0%	0%	1%	**0%**	
5 or More Units	28%	32%	29%	20%	19%	7%	62%	57%	52%	0%	2%	**30%**	

Source: U.S. Department of Commerce, Bureau of the Census; WTL +a, June 2013.

neighborhoods such as the Belair Road corridor. However, given current vacancy levels, it is unlikely that much, if any, new housing has been built over the past 10 years;

- By comparison, Baltimore County issued permits for more than 17,600 units, reflecting a *sustained* annual pace of **1,600 new units per year**. Notably, 70% of all new housing being built in Baltimore County is comprised of single-family detached units;
- Table 15 illustrates a profile of housing conditions in the 19 neighborhoods paralleling Belair Road in Baltimore City. Notably, **housing vacancies are problematic, with the number of vacant units increasing from 3,600 (9.6%) in 2010 to 3,900 (10.3%) in 2012;**
- Housing vacancies are particularly problematic in the Four-by-Four and Belair-Edison neighborhoods on the south end of the Belair Road corridor. Otherwise, the remaining neighborhoods are generally stable, particularly in those neighborhoods in the northern portion of the corridor;
- ESRI Business Analyst forecasts suggest that the number of vacant units in these 19 city neighborhoods will increase—to 4,200 units—over the next five years;
- Median housing value in nearby neighborhoods in Baltimore City was $175,390 in 2012. It is expected to increase nominally over the next five years to $177,600.

Combined with projected population losses, housing vacancy trends and forecasts suggest that opportunities for new, *market-rate* housing in the study area will be limited over the next five years. This reinforces the critical importance of existing city programs—administered through the Baltimore Housing agency—to reduce vacancies, eliminate blight through code enforcement, and stabilize specific neighborhoods in the Belair Road corridor. For example, Baltimore Housing's ongoing program for the Belair-Edison neighborhood includes funds to provide pre-purchase, budget, default and foreclosure prevention counseling; outreach and related services; and technical assistance to businesses and property owners located in the commercial district as part of the city's commitment to revitalize the Belair-Edison area.

Table 15: Housing Profile of Belair Road Trade Area—Baltimore City, 2010—2017

	2010	2012	% Dist.	2017	% Dist.	Change: 2012-2017 No.	Change: 2012-2017 %
Housing Tenure							
Owner-occupied	21,590	20,875		20,977		102	0.5%
% of Total	56.7%	54.5%		54.3%			
Renter-occupied	12,857	13,455		13,460		5	0.0%
% of Total	33.8%	35.2%		34.8%			
Vacant	3,646	3,945		4,193		248	6.3%
% of Total	9.6%	10.3%		10.9%			
Total Units:	**38,093**	**38,275**		**38,630**		**537**	**0.9%**
Owner-Occupied Value							
$50,000 - $99,999		2,285	11%	2,486	12%	201	8.8%
$100,000 - $199,999		11,369	54%	10,400	50%	(969)	-8.5%
$200,000 - $299,999		6,698	32%	7,333	35%	635	9.5%
$300,000 - $399,999		453	2%	640	3%	187	41.3%
$400,000 - $499,999		47	0%	85	0%	38	80.9%
$500,000 - $749,999		13	0%	25	0%	12	92.3%
$750,000+		-	0%	-	0%	-	0.0%
Median Value		$ 175,390		$ 177,583			1.3%
Average Value		$ 178,028		$ 181,604			2.0%

Source: ESRI Business Analyst; WTL +a, May 2013.

Opportunities for New, Market-rate Housing

Are Limited Over Next 5 Years

Table 16: Housing Profile of Belair Road Trade Area—Baltimore County, 2010—2017

	2010	2012	% Dist.	2017	% Dist.	Change: 2012-2017 No.	Change: 2012-2017 %
Housing Tenure							
Owner-occupied	4,088	3,888		3,758		(130)	-3.3%
% of Total	73.2%	69.9%		67.8%			
Renter-occupied	1,138	1,220		1,202		(18)	-1.5%
% of Total	20.4%	21.9%		21.7%			
Vacant	360	456		582		126	27.6%
% of Total	6.4%	8.2%		10.5%			
Total Units:	**5,586**	**5,564**		**5,542**		**(44)**	**-0.4%**
Owner-Occupied Value							
$50,000 - $99,999		157	4%	166	4%	9	5.7%
$100,000 - $199,999		1,928	50%	1,616	43%	(312)	-16.2%
$200,000 - $299,999		1,570	40%	1,641	44%	71	4.5%
$300,000 - $399,999		207	5%	286	8%	79	38.2%
$400,000 - $499,999		23	1%	44	1%	21	91.3%
$500,000 - $749,999		3	0%	6	0%	3	100.0%
$750,000+		-	0%	1	0%	1	0.0%
Median Value		$ 194,692		$ 204,496			5.0%
Average Value		$ 200,682		$ 209,236			4.3%

Source: ESRI Business Analyst; WTL +a, May 2012.

- Table 16 illustrates a profile of housing conditions in the Fullerton and Overlea neighborhoods in Baltimore County. Similarly, these neighborhoods are also expected to experience upswings in vacant housing stock—from 6.4% in 2010 to 10.5% in 2017, suggesting that almost 600 of the 5,500+ units located in the county's portion of the study area will be vacant by 2017.

Commercial Office

WTL+a also evaluated office market conditions in Baltimore City, Baltimore County and the Belair Road corridor. Key findings are illustrated in Table 17 and Table 18, and detailed below.

- The Belair Road corridor is located in the Northeast Baltimore office submarket. As illustrated in Table 17, CoStar Realty, a national real estate database, reports that the Northeast Baltimore submarket contains 2.9 million sq. ft. of office space, or roughly 6% of the city's inventory of 50.5 million sq. ft.;
- As a tertiary/Class B and C office market, Northeast Baltimore "held its own" during the recession and subsequent recovery, with **annual absorption/leasing activity averaging 45,650 sq. ft. per year**. This compares to citywide annual absorption averaging 414,500 sq. ft. per year between 2005 and 2012, or roughly 10% of the citywide total;
- Office vacancies have declined to 4%, which reflect a stabilized market. In turn, this has helped to fuel rent growth, which has increased at a compound annual rate of 2% per year during this period—to $16.36 per sq. ft. in 2012;
- At current leasing patterns, less than two years would be required to achieve "stabilized" occupancies. **These are positive market indicators for office space in the NE Baltimore submarket.** If these trends persist, stabilization of the area's housing stock and growth in population/households is likely to generate demand for additional professional/service-related office space, such as medical, accounting, and the like;

Table 17: Office Market Profile, City of Baltimore & Relevant Submarkets, 2005—2012

	2005	2006	2007	2008	2009	2010	2011	2012	Change: 2005-2012 Total	Ann'l Avg.	%
City of Baltimore											
Inventory	47,656,181	48,271,316	48,766,345	49,170,273	49,760,333	50,506,041	50,432,951	50,548,392	**2,892,211**		
No. of Buildings	1,797	1,804	1,808	1,808	1,809	1,814	1,809	1,811	**14**		
Vacant Stock *(1)*	5,586,431	5,289,146	5,890,341	5,711,633	6,926,033	6,556,233	5,975,019	5,838,133	**251,702**		
Vacancy Rate	11.7%	11.0%	12.1%	11.6%	13.9%	13.0%	11.8%	11.5%			**-1.5%**
Total Net Absorption *(1)*	674,872	912,420	(106,166)	582,636	(624,340)	1,115,920	508,124	252,327	**3,315,793**	**414,474**	
Construction Deliveries	122,024	615,135	607,838	480,225	645,860	778,084	-	115,441	**3,364,607**		
Average Rental Rate *(2)*	$ 20.06	$ 20.52	$ 20.90	$ 21.00	$ 20.65	$ 20.35	$ 20.13	$ 19.96			**-0.1%**
Years to Stabilized (93%) Occupancy *(3)*:									**13.1**		*CAGR*
Baltimore NE											
Inventory	2,622,769	2,622,769	2,642,023	2,920,023	2,926,898	2,926,898	2,926,898	2,926,898	**304,129**		
As % of City of Baltimore	5.5%	5.4%	5.4%	5.9%	5.9%	5.8%	5.8%	5.8%			
No. of Buildings	262	262	263	264	265	265	265	265	**3**		
Vacant Stock *(1)*	120,437	122,478	105,418	284,571	242,438	189,120	118,343	92,354	**(28,083)**		
Vacancy Rate	4.6%	4.7%	4.0%	9.7%	8.3%	6.5%	4.0%	3.2%			**-31.3%**
Total Net Absorption *(1)*	32,981	(2,041)	36,314	98,847	49,008	53,318	70,777	25,989	**365,193**	**45,649**	
Construction Deliveries	-	-	19,254	278,000	6,875	-	-	-	**304,129**		
Average Rental Rate *(2)*	$ 14.28	$ 14.75	$ 17.38	$ 17.24	$ 16.46	$ 15.91	$ 16.05	$ 16.36			**2.0%**
Years to Stabilized (93%) Occupancy *(3)*:									**1.9**		*CAGR*
Belair Road Study Area *(4)*											
Inventory	203,199	203,199	203,199	203,199	203,199	203,199	203,199	203,199	**-**		
As % of Baltimore City	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%			**-5.7%**
As % of Baltimore NE	7.7%	7.7%	7.7%	7.0%	6.9%	6.9%	6.9%	6.9%			**-10.4%**
No. of Buildings	65	65	65	65	65	65	65	65	**-**		
Vacant Stock *(1)*	15,678	15,178	13,000	10,588	26,414	21,700	14,623	23,189	**7,511**		
Vacancy Rate	7.7%	7.5%	6.4%	5.2%	13.0%	10.7%	7.2%	11.4%			**47.9%**
Total Net Absorption *(1)*	1,822	4,250	2,178	2,412	900	(12)	(1,112)	6,600	**17,038**	**2,130**	
Construction Deliveries	-	-	-	-	-	-	-	-	**-**		
Average Rental Rate *(2)*	$ 12.26	$ 10.50	$ 11.51	$ 11.75	$ 12.61	$ 12.51	$ 15.26	$ 16.08			**3.9%**
Years to Stabilized (93%) Occupancy *(3)*:									**10.1**		*CAGR*

(1) Includes existing vacant relet and sublet space. Includes net absorption.

(2) Average asking rents for office space include both relet and sublet space on a full-service (FS) basis.

(3) Based on average annual absorption.

(4) This includes office buildings with a Belair Road address and located in both the City and County/Inside the Beltway.

Source: CoStar Realty; WTL+a, revised July 2013.

Table 18: Office Market Profile, Baltimore County & Relevant Submarkets, 2005—2012

									Change: 2005-2012		
	2005	2006	2007	2008	2009	2010	2011	2012	Total	Ann'l Avg.	%
Baltimore County											
Inventory	35,593,321	36,043,391	36,419,356	37,100,481	37,455,119	37,542,845	37,593,841	37,718,951	**2,125,630**		
No. of Buildings	1,852	1,865	1,875	1,880	1,888	1,889	1,893	1,893	**41**		
Vacant Stock *(1)*	3,904,546	3,330,199	3,716,525	3,857,360	4,293,247	4,123,187	4,204,868	4,519,220	**614,674**		
Vacancy Rate	11.0%	9.2%	10.2%	10.4%	11.5%	11.0%	11.2%	12.0%			**9.2%**
Total Net Absorption *(1)*	1,000,410	1,024,417	(10,361)	540,290	(81,249)	257,786	(30,685)	(189,242)	**2,511,366**	313,921	
Construction Deliveries	860,215	454,870	404,274	704,172	358,838	97,726	137,925	131,360	**3,149,380**		
Average Rental Rate *(2)*	$ 19.07	$ 19.54	$ 19.90	$ 20.09	$ 19.79	$ 19.69	$ 19.27	$ 19.47			**0.3%**
Years to Stabilized (93%) Occupancy *(3)*:									**13**		*CAGR*
Towson											
Inventory	8,163,174	8,236,190	8,207,881	8,240,294	8,240,294	8,245,020	8,259,062	8,252,812	**89,638**		
As % of Baltimore County	22.9%	22.9%	22.5%	22.2%	22.0%	22.0%	22.0%	21.9%			
No. of Buildings	322	324	319	314	314	315	316	315	**(7)**		
Vacant Stock *(1)*	1,178,727	839,002	761,373	898,981	882,560	863,896	955,702	1,035,288	**(143,439)**		
Vacancy Rate	14.4%	10.2%	9.3%	10.9%	10.7%	10.5%	11.6%	12.5%			**-13.1%**
Total Net Absorption *(1)*	39,134	412,741	49,320	(105,195)	16,421	23,390	(77,764)	(85,836)	**272,211**	34,026	
Construction Deliveries	241,122	73,016	-	48,227	-	4,726	16,991	-	**384,082**		
Average Rental Rate *(2)*	$ 18.79	$ 19.53	$ 20.37	$ 19.74	$ 19.57	$ 20.30	$ 20.16	$ 19.70			**0.7%**
Years to Stabilized (93%) Occupancy *(3)*:									**28**		*CAGR*

(1) Includes existing vacant relet and sublet space. Includes net absorption.

(2) Average asking rents for office space include both relet and sublet space on a full-service (FS) basis.

(3) Based on average annual absorption.

Source: CoStar Realty; WTL+a, April 2013.

- According to CoStar, the Belair Road study area contains approximately 203,200 sq. ft. of office space, reflecting a 7.7% market share of NE Baltimore and only a 0.4% share of the city's total office inventory. Office buildings on Belair Road average *only* 3,126 sq. ft. in size;
- Overall office vacancies on Belair Road have fluctuated from 5% to 13% since 2005, with **limited net absorption of *only* 2,130 sq. ft. per year**. At this pace, fully 10 years would be required to achieve stabilized occupancies, or 93%, of the existing 23,200 sq. ft. of vacant office space;
- As noted previously, the land use summaries contained in Table 1 and Table 2 indicate that approximately 278,280 sq. ft. of Class B and C office space is located along Belair Road. The discrepancy in inventory is likely attributed to some portion of the "one-off" properties that are particularly difficult to track in a national database.

Current market performance suggests that opportunities for new, multi-tenant/speculative office development in the Belair Road study area are limited over the next five years. However, it is important to note that a number of office buildings on Belair Road are considered both functionally and physically obsolete and, therefore, not competitive in the marketplace. Moreover, other factors informing office potentials include: job growth, continued net absorption/leasing activity, resulting in declines in the citywide office vacancy rate, and public policies/incentives aimed at strengthening commercial corridors such as Belair Road. Continued attention on reducing the vacancy rates of the study area's housing stock, combined with public incentives that provide funding for renovations/upgrades to the study area's Class B and C office buildings will help to strengthen the overall marketability of the office buildings that are scattered throughout the Belair Road corridor.

Current Market Performance Suggests Opportunities for

New Office Space on Belair Road Are Limited Next 5 Years

We also examined office market conditions in Baltimore County. That portion of Belair Road in Baltimore County is located in the Towson office submarket. Key market indicators suggest a countywide inventory of 37.7 million sq. ft.; currently, more than 4.5 million sq. ft. are vacant, reflecting a vacancy rate of 12%. Net absorption has averaged 313,900 sq. ft. per year since 2005. At this pace, fully 13 years would be required to achieve stabilized occupancies of 93%. The Towson submarket contains 8.2 million sq. ft. of office space, comprising 22% of Baltimore County's total inventory. Market conditions are soft, with vacancy rates climbing to 12.5% in 2012, and limited net absorption averaging only 34,000 sq. ft. per year since 2005.

Lodging/Hospitality

Table 19 summarizes recent market performance of nine lodging properties located in NE Baltimore and nearby White Marsh. This was completed to understand how Belair Road is positioned to accommodate mixed-use development that *may* include lodging as a land use. Importantly, from a competitive perspective, hotels serve as a critical supporting amenity to corporate and business activity generators, and their proximity and overall market performance is key to understanding market potentials. Notable findings are highlighted as follows:

- Over the past six years, market performance among the nine hotels in NE Baltimore and White Marsh has fluctuated, with key metrics such as occupancy levels, average daily rates (ADRs), and revenues per available room declining during the 2008-09 recession;
- In fact, hotel **occupancies declined to 58% in 2009, but recovered to 68% in 2012**. Since the capital markets typically seek *sustained* annual occupancies in the range of 67% to 72% when considering financing of new hotel construction, continued strengthening of the area's hotel market will be necessary, and certain locations along Belair Road could prove marketable for such a use over the longer-term.

WTL+a believes that the strongest location for possible/future hotel development is as close to the Beltway interchange in Baltimore County as possible, to maximize the locational advantages provided by the Beltway, such as visibility, easy-on/off access, etc., for highway travelers. As the Belair Road corridor does not provide any logical demand generators for hotel rooms (i.e., corporate office park, hospital/medical center, etc.), it is likely that highway travelers will be an important market segment for generating roomnight demand.

General Retail

As noted in Section 2 of this report, commercial retail is the predominant use along the corridor, with fully 1.6 million sq. ft. of retail space (61% of total), comprising automotive, financial, food service, general, grocery, lounge/entertainment, storefront uses and strip centers.

Table 19: Hotel Market Performance, 2007—2013

	2007	2008	2009	2010	2011	2012	YTD 2013	CHANGE: 2006-2012 Average	CHANGE: 2006-2012 CAGR
Performance Characteristics									*(1)*
Available Room Nights (Supply)	310,980	342,880	378,106	382,149	379,965	379,965		362,341	4.1%
Occupied Room Nights (Demand)	203,756	211,958	219,878	242,208	248,499	257,232		230,589	4.8%
Annual Occupancy (%)	**65.5%**	**61.8%**	**58.2%**	**63.4%**	**65.4%**	**67.7%**	**66.8%**	**63.6%**	0.7%
Average Daily Rate	$ 125.41	$ 121.84	$ 113.18	$ 109.37	$ 112.27	$ 114.85	$ 111.82	$ 115.79	-1.7%
(2) Revenue Per Available Room	$ 82.17	$ 75.32	$ 65.82	$ 69.32	$ 73.42	$ 77.75	$ 74.70	$ 73.68	-1.1%
Year-to-Year % Growth									
Annual Occupancy	-	(5.7%)	(5.9%)	9.0%	3.2%	3.5%			
Average Daily Rate	-	(2.8%)	(7.1%)	(3.4%)	2.6%	2.3%			
Revenue/Available Room	-	(8.3%)	(12.6%)	5.3%	5.9%	5.9%			

Selected Property	Location	Rooms	% Dist.
Americas Best Value Inn Baltimore	Baltimore	113	10.9%
Fairfield Inn & Suites White Marsh	White Marsh	116	11.1%
Residence Inn Baltimore White Marsh	White Marsh	131	12.6%
Hampton Inn Baltimore White Marsh	White Marsh	127	12.2%
Hilton Garden Inn Baltimore White Marsh	White Marsh	155	14.9%
Doubletree Inn @ The Colonnade Baltimore	Baltimore	125	12.0%
La Quinta Inns & Suites Baltimore North	Baltimore	131	12.6%
Country Inn & Suites Baltimore North	Baltimore	81	7.8%
Rodeway Inn & Suites Baltimore	Baltimore	62	6.0%
		1,041	**100.0%**

(1) CAGR=Compound Annual Growth Rate.
(2) Revenue per available room is the best measure of year-to-year growth because it considers simultaneous changes in both room rate and annual occupancies.

Source: STR Global; WTL+a, June 2013.

- **General retail and automotive comprise the lion's share of retail uses—with more than 880,000 sq. ft. of space** in these two categories;
- The largest share of auto-oriented uses (e.g., car dealerships, gas stations, auto repair, etc.) is located in Baltimore City, with more than 341,000 sq. ft. scattered in roughly 19 of the 36 blocks in that portion of the study area located in the city.

5 Market Potentials

The primary objective of this study is to test potential market support for redevelopment and revitalization of the Belair Road corridor. This section of the study examines market potentials for a range of uses. It also identifies key assumptions and the methodology applied to determine these market potentials.

Market-rate Housing

As noted, forecast population losses, housing vacancy trends (and indications that vacancies will increase) suggest that **opportunities for new, *market-rate* housing in the study area will be limited over the next five years.** This reinforces the critical importance of existing city programs—administered through the Baltimore Housing agency—to reduce vacancies, eliminate blight through code enforcement, and stabilize specific neighborhoods in the Belair Road corridor, particularly at its southern end. For example, Baltimore Housing's ongoing program for the Belair-Edison neighborhood includes funds to provide pre-purchase, budget, default and foreclosure prevention counseling; outreach and related services; and technical assistance to businesses and property owners located in the commercial district as part of the city's commitment to revitalize the Belair-Edison area.

Age-Restricted/Elderly Housing

While opportunities for new, market-rate housing appear limited, residents of the surrounding neighborhoods along Belair Road—in both the city and county—are aging, which suggests incremental opportunities for a limited amount of age-restricted and/or elderly housing to complement several nursing homes located on Belair Road. Therefore, our recommendations related to new housing are as follows:

- The five-year forecasts suggest that there will be an additional 1,900 residents who reach the age of 55 or older by 2017. Initial phases of development of various housing products oriented to these age cohorts could include:

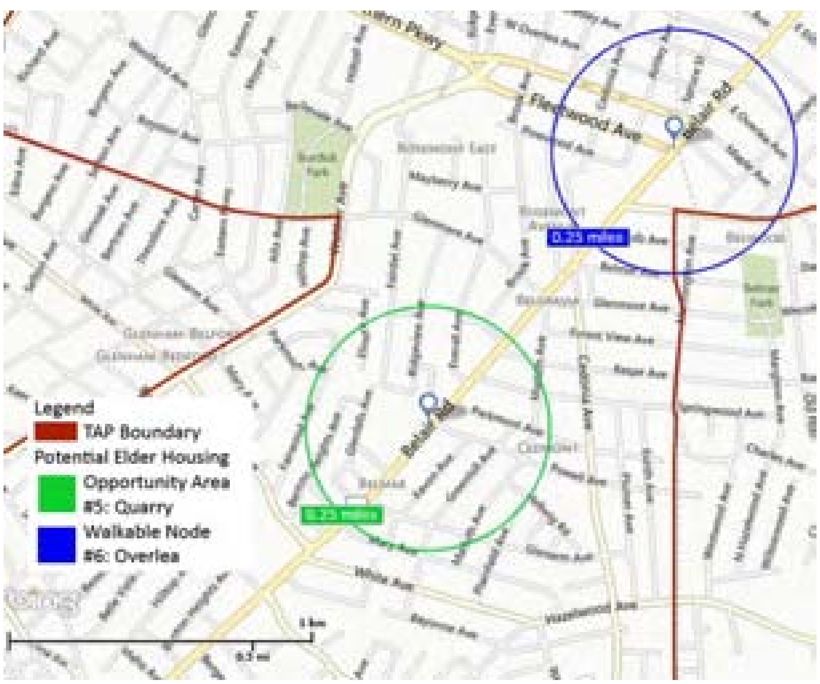
- ✓ Age-restricted (i.e., for "active adults" 55+) product with **20 to 40 units** with living spaces on one level

- ✓ Independent living units with on-site amenities that are clustered but part of a facility that also provides congregate care/assisted living units (ALUs), with another **20 to 40 units**

- This suggests that a site be identified that is sufficiently large to accommodate these products under unified/single-ownership as a means to attract a specialized developer such as Elderly Housing Development & Operations Corporation (EHDOC); National Development (in New England); National Community Renaissance (in Florida, Texas and California); Sunrise Senior Living (Marriott); etc.

- Opportunities for such age-restricted and/or elderly housing may be greater than the estimates identified above. However, this is likely to require additional market and financial feasibility studies to determine the overall viability of this recommendation. In light of the problematic vacancies in some of the surrounding neighborhoods such as Belair-Edison, our housing analysis is inherently conservative.

Figure 4: Potential Age-Restricted/Elderly Housing Sites



Speculative/Professional Office

WTL+a prepared an analysis that tests market potentials for office use citywide. (As information on future job growth in specific industry sectors in Baltimore County is not available, we were unable to prepare this same analysis for the county). As illustrated in Table 20, the analysis translates job growth among specific industry sectors into demand by applying an occupancy factor (occupied space per office employee) and estimates of the proportion of employees in each sector who are office workers.

The analysis also considers demand generated by other market activities, such as vacancy adjustments, part-time/self-employed, and cumulative replacement; these either increase or reduce demand for office space. Cumulative replacement, for example, considers tenants that move when a building is removed from the inventory due to obsolescence.

- The analysis suggests *gross* demand for 1.27 million sq. ft. of office space in the City of Baltimore between 2011 and 2018. We note, however, that job growth over the past two years has already consumed a large portion of this demand.
- From a financing perspective, however, some portion of the existing 5.8 million sq. ft. of vacant office space citywide (Table 17) would need to be leased-up (occupied) before new office space could be financed. At this time it is not known how much of the city's existing vacant inventory is marketable (i.e., some portion suffers from physical/functional obsolescence, will be converted to other uses such as residential, or could be demolished). Therefore, the analysis conservatively assumes that approximately 35% (or roughly 2.0 million sq. ft.) would need to be leased before financing any new office construction.
- The analysis clearly illustrates **the lack of demand for multi-tenant/speculative office space citywide over the next five years**. In other words, near-term office demand generated by any new employment growth in the city can be accommodated in existing vacant inventory. Any new office construction is likely to be build-to-suits, such as the new Exelon headquarters at Harbor Point, or publicly-sponsored for various government agencies.
- Moreover, although the Northeast Baltimore office submarket is effectively at stabilization (i.e., with only 4% vacancy levels), higher vacancy rates elsewhere in Baltimore, and the

Table 20: Office Market Potentials, Baltimore City, 2011—2018

	Industry Sector	New Jobs 2011-2018	% Office-Using		Sq. Ft. Occupancy Factor	2018 Demand (In Sq. Ft.)
	Mining/Resources & Construction	457	10%		175	8,000
	Manufacturing	(851)	20%		175	(29,800)
	Transp/Communications/Utilities	230	40%		200	18,400
	Wholesale & Retail Trade	(30)	20%		200	(1,200)
	Information	33	95%		250	7,800
	Financial Activities	(153)	85%		250	(32,500)
	Services					
	Professional/Business Services	5,654	80%		250	1,130,700
	Education & Health Care	3,517	35%		200	246,200
	Leisure & Hospitality	890	25%		175	38,900
	Other Services	(1,042)	50%		175	(91,200)
	Government	(2,048)	60%		150	(184,300)
Total/Weighted Average:		**6,655**	**61%**		**259**	**1,111,000**
-	Part-time/Self-Employed @		10%		*(1)*	(111,100)
+	Vacancy Adjustment @		10%		*(2)*	111,100
+	Cumulative Replacement Demand		15%		*(3)*	166,700
2018 Gross Demand (In Sq. Ft.):						**1,277,700**
	Existing Vacant Office Space		5,838,133			
-	Assumed Lease-up @		35%		*(4)*	(2,043,347)
2018 Citywide Net Demand (In Sq. Ft.):						**(765,600)**

(1) Future growth in part-time and self-employment is not known. Moreover, only a portion of such jobs will generate demand for net new commercial office space.
(2) This allows for a 10% "frictional" vacancy rate in new office space delivered to the market (i.e., for tenant movement to new space).
(3) This represents new space required by existing businesses to replace obsolete or otherwise unusable office space. This is assumed to represent 15% of total demand.
(4) As some portion of existing vacant office space in Baltimore is physically/functionally obsolete, and other buildings may be removed from the inventory for conversion to other uses such as residential, we estimate that up to 35% of existing vacant inventory will need to be leased before

Source: CoStar Realty; Maryland Dept. of Labor, Licensing & Regulation; WTL +a, July 2013.

lack of nearby demand generators such as a hospital, educational facility, etc., is likely to preclude opportunities for new office space on Belair Road.

- Therefore, citywide economic development initiatives focused on job retention and recruitment will serve to strengthen the city's office market (particularly downtown). Over time, as housing vacancies are reduced in the study area, opportunities for incremental, small-scale office uses oriented to professional/business services may become apparent.

General Retail

WTL+a prepared an investment-grade retail analysis, which is illustrated in Table 21 and described more fully below. The market analysis has identified significant levels of "recapture" opportunities, or retail leakage—retail spending generated by trade area households that occurs elsewhere (irrespective of location). In fact, **retail leakage is estimated at fully $370 million per year.**

Typically, between 75% and 80% of annual household retail spending occurs in the jurisdiction in which the household resides. However, because of the proximity of Belair Road to the retail cluster at White Marsh, it is likely that the lion's share of annual spending generated by trade area households (from the city and county) occurs there or other nearby locations. The retail analysis suggests the following:

- There are *selected* merchandise categories that are logical candidates comprising a retail revitalization program for Belair Road. Trade area spending in these categories totals roughly $249 million per year, and could potentially include: General Merchandise (e.g., soft goods retailer); Electronics & Appliances; Eating & Drinking/Food Places; Food & Beverage/Groceries; Health & Personal Care/Drug Stores; Building Materials; and Miscellaneous Retail.
- In our national experience, successful commercial corridor revitalization strategies capture between 5% and 10% of retail leakage. This is predicated on a number of key assumptions, including:
    - ✓ Public support/funding for infrastructure/streetscape/physical improvements;
    - ✓ The ability of either public or private sector participants/investors to assemble developable parcels; and

- ✓ The availability of financing for redevelopment, determined by willing capital, pre-leasing commitments, and the availability of interested retailers and anchor tenants.

- However, as a result of ongoing or planned public investment in the Belair Road corridor, such as the city's housing stabilization programs in Belair-Edison and approved funding for streetscape improvements, we believe Belair Road will be able to capture a larger portion of this retail opportunity gap. A capture of 10% to 11% translates into **$27 million in new retail spending on an annual basis**.

- Notably, additional spending may *not* necessarily translate fully into new retail construction, as it could also be absorbed by improvements in sales performance/productivity of existing businesses. As illustrated previously in Table 13, current businesses along the corridor generate annual retail sales in the range of $135 per sq. ft.; this is *not* considered viable, investment-grade performance. The analysis in Table 21 applies investment-grade sales levels (ranging from $150 to $500 per sq. ft. depending on retail category) that would be required to achieve the rents necessary by a retail developer/investor to meet construction feasibility.

- **Investment-grade rents will require investment-grade (i.e., creditworthy) regional and national tenants.** It is clear from the existence of national tenants (e.g., CVS, Rite Aid, McDonald's, etc.), that Belair Road already meets specific tenant criteria, such as population densities, traffic counts, etc. Although Belair Road is considered a "hybrid" urban/suburban corridor with an existing mix of local/regional/national tenants, tenant recruitment should target a mix of qualified local and national tenants. Importantly national tenants will generate "traffic" necessary to support local businesses. Moreover, **any local/mom & pop businesses considered candidates for Belair Road will require a viable business plan and capital/credit necessary to succeed.**

- A critical next step includes creation of a tenant recruitment strategy that targets specific tenants in the retail categories identified in Table 21. It will need to include city and county staff working collaboratively with property owners, investors and developers to forge the deals necessary to ensure the corridor's successful revitalization.

- With respect to initial marketing opportunities, the analysis suggests the following:

Table 21: Retail Market Potentials in Selected Categories

Retail Category	Opportunity Gap	Capture Rate	Total Supportable Sales	Sales Productivity Low	Sales Productivity High	Supportable Space (In Sq. Ft.) Low	Supportable Space (In Sq. Ft.) High
General Merchandise							
Other General Merchandise	$ 52,155,556	9.5%	$ 4,954,778	$ 175	$ 225	28,313	22,021
Subtotal/Weighted Average:	**$ 52,155,556**	**9.5%**	**$ 4,954,778**	**$ 175**	**$ 225**	**28,300**	**22,000**
Electronics & Appliance Stores							
Appliances, TVs, Electronics Stores	$ 18,758,381	7.5%	$ 1,406,879	$ 250	$ 350	5,628	4,020
Subtotal/Weighted Average:	**$ 18,758,381**	**7.5%**	**$ 1,406,879**	**$ 250**	**$ 350**	**5,600**	**4,000**
Eating & Drinking Places							
Full-Service Restaurants	$ 24,435,926	10.0%	$ 2,443,593	$ 250	$ 300	9,774	8,145
Limited-Service Eating Places	17,345,370	7.5%	1,300,903	$ 350	$ 500	3,717	2,602
Subtotal/Weighted Average:	**$ 41,781,296**	**9.0%**	**$ 3,744,495**	**$ 285**	**$ 369**	**13,200**	**10,100**
Food & Beverage Stores							
Grocery Stores	$ 75,512,830	12.5%	$ 9,439,104	$ 400	$ 500	23,598	18,878
Specialty Food Stores	2,043,994	20.0%	408,799	$ 275	$ 350	1,487	1,168
Subtotal/Weighted Average:	**$ 77,556,824**	**12.7%**	**$ 9,847,903**	**$ 395**	**$ 494**	**24,900**	**19,900**
Health & Personal Care Stores							
Health & Personal Care Stores	$ 26,805,313	20.0%	$ 5,361,063	$ 375	$ 500	14,296	10,722
Subtotal/Weighted Average:	**$ 26,805,313**	**20.0%**	**$ 5,361,063**	**$ 375**	**$ 500**	**14,300**	**10,700**
Building Material, Garden Equipment Stores							
Building Materials & Supplies	$ 16,207,330	10.0%	$ 1,620,733	$ 150	$ 175	10,805	9,261
Lawn & Garden Equipment & Supplies	3,678,423	5.0%	183,921	$ 150	$ 175	1,226	1,051
Subtotal/Weighted Average:	**$ 19,885,753**	**9.1%**	**$ 1,804,654**	**$ 150**	**$ 175**	**12,031**	**10,312**
Miscellaneous Store Retailers							
Used Merchandise Stores	$ 2,364,122	3.5%	$ 82,744	$ 150	$ 175	552	473
Other Miscellaneous Retail Stores	9,861,753	5.0%	493,088	$ 150	$ 175	3,287	2,818
Subtotal/Weighted Average:	**$ 12,225,875**	**4.7%**	**$ 575,832**	**$ 150**	**$ 175**	**3,839**	**3,290**
TOTAL:	**$ 249,168,999**	**11%**	**$ 27,695,603**	**$ 308**	**$ 395**	**102,000**	**80,000**

Source: ESRI Business Analyst; WTL+a, July 2013.

- ✓ **10,000 to 13,000 sq. ft.** of sit-down, "family-style" restaurants, ideally clustered in a node that serves to create a "restaurant district"
- ✓ **20,000 to 25,000 sq. ft.** in an urban-format grocery store. We note that this may *not* necessarily be a new store, but expansion/stronger performance among the study area's existing grocers such as Aldi, Bi-Rite, etc.
- ✓ **10,000 to 15,000 sq. ft.** national drug store chain on a pad site that meets specified design criteria (such as frontage, rear parking, etc.) as established by the city and county
- ✓ **20,000 to 30,000 sq. ft.** general merchandise tenant(s) that could serve as an anchor for development of a retail center in a key node along the corridor

Potential Retail Redevelopment Sites/Locations

There are several locations along the Belair Road corridor that could accommodate additional retail uses. These include:

Walkable Node #1: Belair-Edison

- Key physical and market attributes:
  - ✓ Contiguous building frontage enhances pedestrian-scale and walkability
  - ✓ Presence of national tenants suggests marketable location
  - ✓ Surface parking lots potentially available for in-fill development
- Existing building area comprising approximately 87,000 sq. ft. +/-
- Need to understand property/building ownership patterns, vacancies, and opportunities for assemblage
- This strategy and planning target will require a retail recruitment strategy

Belair-Edison Retail Planning Target:
Small-scale Infill <20,000 Sq. Ft.

Figure 5: Walkable Node #1—Belair-Edison

Walkable Node #3: Gardenville

- Key physical and market attributes:
  - ✓ Property assemblage potentials for retail strip revitalization
  - ✓ Re-tenanting strategy focused on better/stronger businesses with capacity to generate higher sales performance (which will translate into higher rents)
  - ✓ Alternative includes wholesale redevelopment of a key block for a national/creditworthy tenant given parcel size, adjacent surface parking area
- Existing building area comprises approximately 122,000 sq. ft. +/-
- Gardenville Shopping Center as key anchor (40,000 sq. ft.)

Figure 6: Walkable Node #3—Gardenville

Potential Mixed-use Redevelopment Sites/Locations

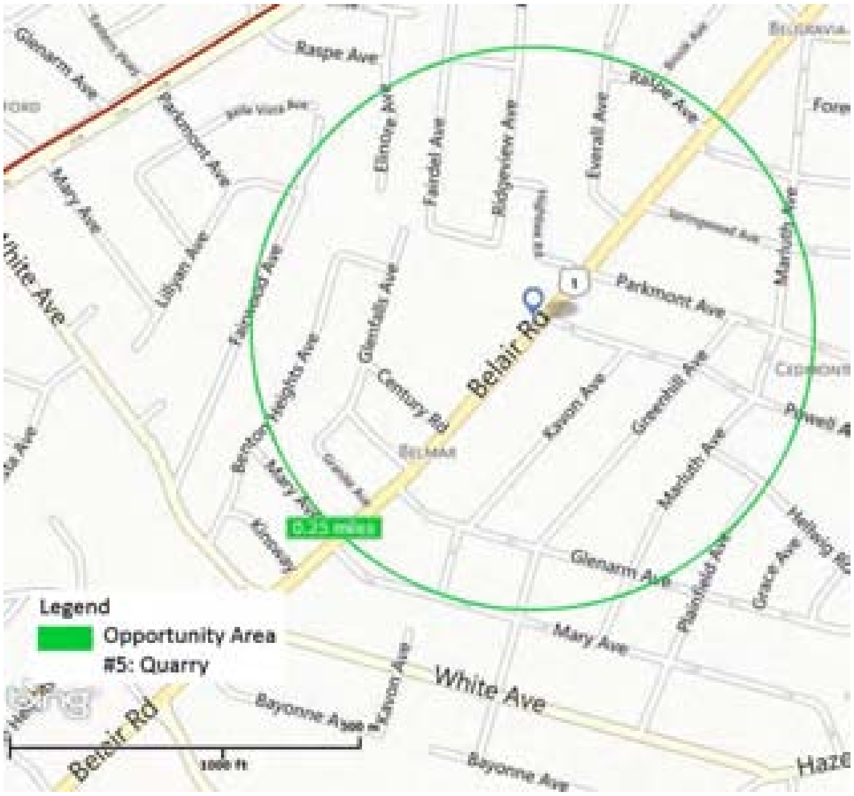
In addition to the retail nodes identified above, the most logical location(s) on the Belair Road corridor to accommodate mixed-use redevelopment include:

Opportunity Site # 5: Quarry

- 5+/- acres creates unique opportunity for mixed-use project containing **25,000-50,000 sq. ft.** of retail (and possibly other uses)
- Assembled property includes Bi-Rite site
- Need to understand net developable area, cost premiums associated with site development (ledge)
- Central location, contiguous/large parcel provides key advantages:
  - ✓ Allows multiple mixed uses
  - ✓ Flexibility in development strategies to reduce developer risk

✓ Multiple phases as demand warrants

Figure 7: Opportunity Site #5—Quarry



Lodging/Hospitality

As noted previously, we believe the strongest location for possible/future hotel development is as close to the Beltway interchange in Baltimore County as possible, to maximize the locational advantages provided by the Beltway, such as visibility, easy-on/off access, etc., for highway travelers. As the Belair Road corridor does not provide any logical demand generators for hotel rooms (i.e., corporate office park, hospital/medical center, etc.), it is likely that highway travelers will be an important market segment for generating roomnight demand.

- Market conditions among the area's supply of hotels should be closely monitored over the next three years. Annual occupancies need to be *sustained* in the range of 67% to 72%.
- In addition, a site should be identified in the county as close to the Baltimore Beltway as possible to ensure strong visibility and frontage.

- Market potentials are likely to be oriented to a limited-service product. As illustrated in Table 19, limited-service properties in White Marsh already include Fairfield Suites and Residence Inn (Marriott) as well as a Hampton Inn and Hilton Garden Inn (Hilton). Since a hotel on Belair Road will compete with lodging properties in White Marsh, it may behoove these national chains to consider Belair Road as multiple locations of a single flag/operator in a single submarket typically enhance operating efficiencies and roomnight capture with more than one product in the marketplace. Additional market and financial feasibility studies will be required to document this recommendation pending occupancy levels over the next three years.
- Typically, **a limited-service product seeks 80 to 120 rooms** on a site with sufficient land to accommodate surface parking. In strong markets, such flags will consider sites that do not provide adequate frontage on a primary arterial such as Belair Road, as long as there is immediate access to key demand generators (in this case, the Beltway/highway travelers).

Figure 8: Potential Hotel Site

Appendix D – Belair Road Development Incentives/Regulatory Tools Case Studies Belair Road Corridor Design Workshop

Appendix D – Belair Road Development Incentives/Regulatory Tools Case Studies

The project team evaluated the full range of potential policy and financial tools that could serve to achieve identified economic development goals including:

- Zoning change recommendations
- Enforcement of existing laws and codes
- Direct public investments
- Design guidelines / form-based codes
- Infrastructure improvements and investments
- Partnerships and incentives/development tools
- Renovation / rehabilitation loans & programs
- Home ownership assistance
- Business alliance programs
- Small business incubation programs
- Energy efficiency retrofit financing programs
- Tax credits/abatement programs
- Site assemblage assistance
- Façade improvements

Based on primary research, interviews with project sponsors, and other stakeholder engagement, the project team identified the following development incentives and regulatory tools available to Belair Road Corridor property owners and businesses.

Baltimore Development Corporation (BDC) Programs

- BaltimoreMICRO Revolving Loan Fund
- BDC Revolving Loan Fund Programs
- Brownfield Tax Credit
- Enterprise Zone Tax Credits
- Facade Improvements
- One Maryland Tax Credit
- Tax Increment Financing (TIF)
- Payment In Lieu of Taxes (PILOTs)

Renovation / Rehabilitation Loans & Programs

- Acquisition / Rehabilitation Program
- Baltimore City Deferred Loan Program
- Baltimore City Lead Abatement Action Program (LAAP)
- Be SMART Home Complete (Weatherization Program)
- Be SMART Home Energy Star (Energy Efficiency Program)
- Federal Home Loan Bank of Atlanta Accessibility
- Federal Home Loan Bank of Atlanta Energy Efficiency/Weatherization
- Maryland Housing Rehabilitation Program (MHRP)

- OHEP: Weatherization Program
- SCOPE / Project 5000 (Selling City Owned Properties Efficiently)
- Senior Roof Repair Program
- Vacants to Value (Baltimore Housing Vacant Property Sales)
- Buying Into Baltimore - $5,000 is available to eligible buyers through the Buying into Baltimore Vacants to Value initiative.
- Good Neighbors Incentive ($5,000 available to City employees who buy Vacants to Value homes through the Good Neighbors Incentive)
- Live Near Your Work Program (LNYW) - The City will match participating employers up to $3,000 (total $6,000) when employees buy a Vacants to Value house.
- Homeownership Assistance Program - Income eligible families may receive $5,000 in home buying assistance; buyers of Vacants to Value properties have a priority use of this program.
- Newly Constructed Dwelling Property Tax Credit - The first buyer of a newly constructed or substantially rehabilitated vacant house can receive a 50% reduction in property taxes in year one reducing to 10% reduction in year five.
- Historic Tax Credits - Historic tax credits that may apply to Vacants to Value renovations in City or State historic districts.
- Home Purchase Loans
- Direct Purchase Program
- Good Neighbor Next Door (Teacher Next Door / Officer Next Door) Program
- Healthy Neighborhoods, Inc.(HNI) Purchase/Rehabilitation Loan
- Homeownership for Individuals with Disabilities Program
- Housing Choice Voucher Homeownership Program
- Neighborhood Housing Services of Baltimore, Inc.
- State of Maryland Mortgage Program (CDA)
- Down payment and Closing Costs
- Buying Into Baltimore
- Homeownership Assistance Program through Community Development Block Grant (CDBG)
- CityLIFT Program by Wells Fargo
- Community Partners Incentive Program (CPIP)
- Coppin Heights Live Near Your Work Program
- Down Payment and Settlement Expense Loan Program (DSELP)
- Federal Home Loan Bank of Atlanta (FHLBA) First Time Homebuyers

- Federal Home Loan Bank of Atlanta (FHLBA) Community Stability
- Federal Home Loan Bank of Atlanta (FHLBA) Foreclosure Recovery (New)
- Employer-Based Assistance
- Baltimore City BRAC Homeownership Incentive
- Baltimore City Employee Homeownership Program
- Good Neighbor Next Door (Teacher Next Door / Officer Next Door) Program (also see the Home Purchase Loan Program)
- House Keys 4 Employees
- Live Near Your Work
- Smart Keys 4 Employees
- Homeowner & Renter Tax Credits
- Arts & Entertainment District Property Tax Credit
- Home Improvement Property Tax Credit
- Homeowner's Tax Credit
- Homestead Property Tax Credit
- Green Tax Credits - Federal Programs
- Newly Constructed Dwelling Tax Credit
- Renter's Tax Credit
- Baltimore Main Street Program

Small Business Resource Center

- Starting your own business
- Preparing a business plan, including cash flow control and pro forma financial statements
- Applying for small business loans and micro loans
- Getting credit, and what your banker expects
- Business taxes and regulatory responsibilities
- Networking with other professionals
- Baltimore County Commercial Revitalization Program

Commercial Revitalization District Services

The Belair Road Corridor project area has been designated as one of the 16 official commercial revitalization districts in Baltimore County. Baltimore County staff confirmed that businesses in these districts have access to a range of resources, including:

- **Architect-On-Call:** Architect-On-Call offers up to ten free hours of professional architectural design services to businesses improving the exteriors of their buildings. After an initial site visit and meeting, the architect prepares a digital rendering of the building with design recommendations and a rough cost estimate. The service is free when improvements are certified as complete within six months.

- **Building Improvement Loan Program – BILP:** A $30,000 interest-free loan which can be used for exterior improvements such as awnings, landscaping, and signage. This loan can be combined with the other economic development incentives for larger projects. (Some minor interior and equipment improvements may also be financed)
- **Commercial Revitalization Tax Credit:** For larger projects, this benefit provides a five-year real property tax credit if physical improvements increase the assessed property value by $50,000 or more. A ten-year credit is available if improvement costs exceed $10 million. This is jointly administered by the Baltimore County Department of Planning and the Department of Assessments and Taxation.
- **Commercial Revitalization Action Grant:** A $10,000 grant awarded annually to business associations for projects that benefit the overall Commercial Revitalization Districts. Examples include: holiday lighting, welcome signs, web site development, street trees, security cameras, farmers markets, etc.
- **Planned Unit Development:** Development in a Commercial Revitalization District is considered a public policy benefit as required by PUD regulations.
- **Baltimore LIGHT Program:** The Leading Innovation for a Green and Healthy Tomorrow (LIGHT) LIGHT Program is the partnership and coordination branch of Baltimore Housing's Division of Green, Healthy and Sustainable Homes. The LIGHT Program screens clients for resources ranging from energy-efficiency/weatherization, home rehabilitation, lead hazard reduction, fall/injury prevention, asthma reduction, healthcare, employment, financial security and more.

New Market Tax Credits

Congress created the New Markets Tax Credit program as part of the Community Renewal Tax Relief Act of 2000 to encourage investment in low-income communities. Qualified Community Development Entities (CDE) will apply to the CDFI Fund for an award of new markets tax credits. The CDE will then seek taxpayers to make Qualifying Equity Investments in the CDE. The CDE will in turn be required to use substantially all of the qualifying equity investments to make qualified low-income community investments (QLICI) in/to qualified active low-income businesses (QALICBs) located in low-income communities. The taxpayer will be eligible to claim a tax credit equal to 5 percent of its equity investment in the CDE for each of the first three years and a 6 percent credit for each of the next four years (39 percent total).

The program is designed to allow the CDE to use its local knowledge and expertise to decide what business to invest in or lend to with the funds it raises with the new markets tax credit. Most businesses located in low-income communities could qualify for loans or equity. Typical firms could include: small technology firms, inner-city shopping centers, manufacturers, retail stores or micro-entrepreneurs. Residential rental property does not qualify as a qualified active low-income business.

This is an exciting program that provides tax incentives to investors to make investments in distressed communities and promotes economic improvements through the development of successful business in these communities.

Site Assemblage Assistance

The City has a precedent for working with institutions, developers, and land owners to assist in assemblage opportunities. For example, the City is currently working with Baltimore Gas and Electric (BGE) and Landex Development on a property adjacent to the Cold Spring Light Rail Station (2001 W. Cold Spring Lane) to enter into a land swap for city property on the other side of Cold Spring Lane.

In this public/private partnership, BGE will build a new substation on city-owned property north of Cold Spring Lane. In turn, the City of Baltimore will acquire BGE owned property to assemble a parcel sufficient to accommodate a comprehensive TOD project.

Similar opportunities may exist in the Belair Rd corridor. One of the largest impediments to large-scale, catalytic development along Belair Rd is the dearth of assembled land available for such transformative projects. The City has demonstrated a willingness to assist developers assemble land and a conduct land swap to help encourage they type of development that would spur more private development.

Potential sites along Belair Rd for sire assemblage opportunities include:

Aesthetic Upgrade Recommendations

The City of Baltimore is currently planning a $3 million capital improvement program focused on Belair Road at Erdman Avenue, Frankford Avenue and Fleetwood Avenue. Current plans call for upgrades following the principles of complete streets. Improvements could include:

- Basic infrastructure and geometric improvements where needed (Resurfacing, Curb/gutter, etc)
- Expanded sidewalks
- ADA compliant curb cuts
- Lighting (if needed)
- Planted medians
- Decorative crosswalks
- Signal upgrades, removal of span wires
- Bump-outs
- Greening
- Curb cut consolidations
- High quality bus shelters/real time arrival information
- Bike parking
- Way finding

- Public art
- Seating/plazas on public right of way
- Other traffic calming components
- Other safety improvements based on the BCDOT Belair Road Corridor Study

Between these nodes, the plans call for linkages to potentially include the following features:

- Bike lanes between Fleetwood and Brendan Ave
- Neighborhood banners
- Way finding
- Crosswalk improvements/additional crosswalks where missing
- Travel lane restriping to improve safety/calm traffic where possible

Currently, the City is in the design and public input phase. After seeking further public input through public meetings, the engineering phase is expected to take approximately 18 months with construction commencing in mid-2015.

Case Studies: Other Development Incentives/Tools to Consider

The project team's inventory of current City of Baltimore and Baltimore County development incentives programs indicates that Belair Road Corridor property owners and businesses are eligible for an effective, diverse array of grants, low-interest loans, and other revitalization and business incubation services. To determine if programs from other communities might be applicable in the context of the Belair Road Corridor, the project team conducted case study research and determined that the following regulatory tools could provide additional leverage to attract private investment to the project area:

- Formula business restrictions
- Physical size limitations
- Expanded independent retail alliance functions

Formula Business Restrictions

Some communities have banned certain types of formula businesses including retail stores, restaurants, hotels and other establishments that are required by contract to adopt standardized services, methods of operation, decor, uniforms, architecture or other features virtually identical to businesses located in other communities. Often these laws do not prevent a chain store from coming in, but they do require that the incoming chain not look or operate like any other branch in the country. This could be useful to ensure that the Belair Road Corridor retains its unique neighborhood character as national chains increases.

Coronado, CA

In order to preserve Coronado's commercial sector as a vibrant business environment, the city council adopted an ordinance that restricts the number of formula based businesses in the downtown area. The ordinance, adopted in 2000, limits the number of “formula fast food” businesses in downtown to a maximum of ten. Once that maximum is reached one must close before another one can open. The ordinance states that the “establishment of additional formula retail uses will unduly limit…opportunities for smaller or medium sized businesses, many of which tend to be non-traditional or unique, and unduly skew the mix of businesses towards national retailers in lieu of local or regional retailers, thereby decreasing the diversity of retail activity.”

According to local planners, the ordinance has proved to be a successful way to regulate the location and operation of formula retail establishments. Because it does not ban outright formula restaurants, the ordinance has helped to maintain an appropriate mix of local, regional, and national-based businesses and preserve the economic health of the community's business districts and the small-scale eclectic ambiance for which it is known.

Bainbridge Island, WA

The city of Bainbridge Island, Washington, outside of Seattle adopted an ordinance to prohibit the establishment of formula restaurants on the basis that they are antithetical to the pedestrian-oriented environment that residents desire for their village. The ordinance barred the addition of new formula restaurants as well as the expansion of existing establishments. The ordinance further states that an optimal mix of pedestrian-oriented and other kinds of commercial and retail establishments are more in keeping with the vision of Bainbridge. By prohibiting the proliferation of formula restaurants the city hopes to provide for smaller neighborhood-style pedestrian and other kinds of retail outlets that best serve the varied needs of residents and consumers.

Port Townsend, WA

Market research and a community visioning process established an economic development strategy that encourages independent downtown businesses and specifically rejects downtown chains. This “zero tolerance policy” on chain retail has been critical to maintaining local identity as well as appeal to tourists.

Physical Size Limitations

Many communities have enacted zoning ordinances that restrict the physical size of new retail developments. Some localities seek to discourage “big box” retail from locating in certain areas. Others use these ordinances to help sustain the vitality of small-scale, pedestrian-oriented shopping districts. Again, as national chains increasing relocate to the Belair Road Corridor, this type of ordinance can be useful to retain neighborhood-scale independent retailers in targeted locations.

Rockville, MD

In August 2000, the city of Rockville enacted an ordinance to ban stores over 65,000 square feet and requires those over 25,000 square feet to comply with design and site guidelines. The law made permanent a moratorium on large stores imposed in October 1999 to give the city time to study the issue. In public forums, residents voiced concerns that large-scale retail development would undermine the city's quality of life by increasing traffic, eroding

Rockville's character, and bringing in businesses that have little commitment to the community

Santa Fe, NM

In July 2001, the city of Santa Fe, New Mexico, adopted an ordinance prohibiting retail stores larger than 150,000 square feet and requiring stores over 30,000 square feet to comply with certain architectural and site design standards in order to:

- Ensure that such development is compatible with and does not detract from Santa Fe's unique historic character, scale, and sense of place
- Break up the apparent mass and scale of large retail structures
- Help integrate large-scale retail development with its surroundings
- Promote and facilitate a safe and comfortable pedestrian scale environment
- Encourage a mixture of uses and sizes of structures
- Reduce the visual impact of large areas of parking

San Louis Obispo, CA

In 2001 the San Louis Obispo Planning Commission considered an ordinance that would limit the size of large-scale retail establishments to 45,000 square feet in Commercial Neighborhood and tourist zones and 60,000 square feet in the Commercial Core (the downtown area). Chains and franchises are a continuing part of what downtown's economy has and will always include; Chains will never entirely take over downtown because of "infrastructure"; little available land, many historic buildings that are protected and the floor sizes of existing structures are mostly too small for national retailers.

Lessons Learned

- Zoning rules can bolster downtown vitality and retain small-scale, pedestrian-friendly shopping districts, but may be difficult to justify outside places that already exhibit a high quality and specialized character.
- Establishing an arbitrary size limit precludes the possibility that a building over a certain limit might meet other criteria such as appealing form and function.
- Establishing design quality and element of large-scale projects may be more effective in preserving the neighborhood's character than limiting building size.

Independent Retail Alliances

The Belair Road Corridor project area is supported by the activities of several organizations that support local/independent businesses including:

- Gardenville/Belair Road Business Association
- Harbel Community Organization
- Belair-Edison Neighborhoods, Inc./Belair Road Main Street
- City of Baltimore

- Baltimore County
- Greater Baltimore Committee
- Baltimore City Chamber of Commerce
- Governor's Office of Business Advocacy and Small Business Assistance (GOBA)
- SCORE– Counselors to America's Small Business
- Maryland Small Business Development Center
- Small Business Resource Center
- Women Entrepreneurs of Baltimore, Inc.

Through these existing public and non-profit organizations, Belair Road businesses have access to a full range of access to educational assistance, financial assistance (primarily SBA funding), and other general business assistance.

In short, the small business owner with a solid business plan and adequate credit has access to a wide range of important small business support tools through Baltimore City and County resources. However, organizations like the Belair Road Main Street have very limited budgets and are focused primarily on festival marketing and other business promotion activities. These organizations could be further supported by additional business alliance programs and services targeted to retail redevelopment as detailed by the following examples.

Boulder Independent Business Alliance, Boulder, CO

The Boulder Independent Business Alliance (Biba) is a collection of over 140 locally owned and independent businesses in Boulder County. Their mission is to promote locally owned independent businesses in order to preserve Boulder's unique character. Biba members receive the Biba window decal that informs customers that they are shopping locally and independently. Biba also offers a Community Benefit Card that offers discounts at locally owned business.

Austin Independent Business Alliance Austin, TX

"Keep Austin Weird" is a campaign by the Austin Independent Business Alliance (AIBA) to encourage Austin residents to shop locally. The AIBA is a relatively new organization whose mission is to shift more dollars to locally owned independent businesses and maintain Austin's small, independent business base. Current services offered to members include various marketing strategies, a membership directory and networking opportunities for independent business owners. In November of this year, AIBA will sponsor "Austin Unchained," a day of shopping at locally owned businesses. It is designed to bring attention to the economic and cultural impact of consumers shopping at only locally owned businesses for one day.

Tucson Originals

In 1998, a group of fifteen independent restaurant owners formed Tucson Originals, an organization designed to help locally owned restaurants compete amid explosive growth of chain restaurants. In addition to comprehensive group marketing and community awareness building campaigns that encourage residents and visitors to patron independently owned restaurants, the group offers significant costs savings to members that enable them to better compete with national competitors. Tucson Originals was instrumental in establishing the Arizona Independent Restaurants Alliance (AIRA), a group purchasing entity, which negotiates with food suppliers on behalf of member businesses. The AIRA estimates that on average a member restaurant is able to reduce food costs by 10 to 20 percent. According to one restaurant owner, these cost savings can amount to thousands of dollars annually—a significant amount for small businesses that often struggle with cash flow fluctuations.

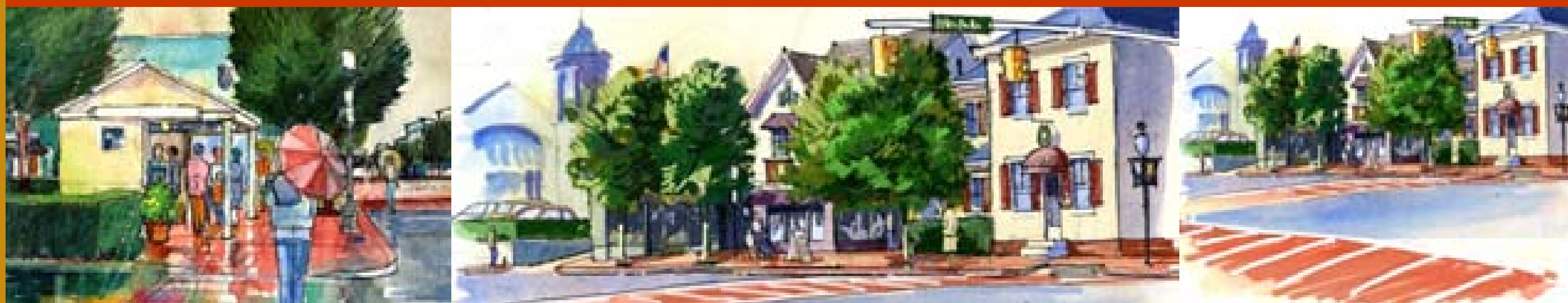
Salt Lake Vest Pocket Business Coalition

This coalition was formed in 1999 by seven independent business owners and today includes more than 200 businesses. The coalition employs a three-pronged approach:

- Strengthen local businesses internally by providing technical assistance and training sessions for developing a business plan and creating a web site
- Provide a voice for locally-owned businesses in government decision-making
- Educate the community about the value of locally owned businesses

Lessons Learned

- Local business alliances can be an important component of overall business development strategy. Alliances provide educational functions as well as practical networking among local entrepreneurs.
- Community-wide alliances can help independent businesses address common challenges brought by concentrated economic power, changing technologies and public policies that favor big competitors.
- Community-based businesses are interdependent; alliances help identify common challenges and reinforce the concept that prosperity is dependent upon each other's survival.



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HARBEL
Community Organization

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